

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

PETITION ENGAGEMENT

CITY OF CARLOS, MINNESOTA

JANUARY 1, 2009, THROUGH DECEMBER 31, 2011

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CITY OF CARLOS, MINNESOTA

January 1, 2009, through December 31, 2011



Petition Engagement

**Audit Practice Division
Office of the State Auditor
State of Minnesota**

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CITY OF CARLOS, MINNESOTA

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Petitioners
Mayor and Members of the City Council
City of Carlos, Minnesota

INTRODUCTION AND BACKGROUND

Registered voters of the City of Carlos petitioned the Office of the State Auditor (OSA) to examine the books, records, accounts, and affairs of the City in accordance with Minn. Stat. § 6.54 for the period January 1, 2009, through December 31, 2011.

The City of Carlos is a public corporation and part of the State of Minnesota's general and uniform system of cities. The elected City Council is responsible for the care, management, and control of the City.

The OSA has completed its examination into the concerns identified by the petitioners of the City of Carlos. The objectives of the engagement were to address the concerns of, and to answer the questions raised by, the petitioners. Where applicable and appropriate, we make recommendations to the City in this report.

Minn. Stat. § 6.54 allows the OSA, in the public interest, to confine the scope of the examination to less than that requested by the petition. Communications with representatives of the petitioners assisted us in developing an understanding of the petitioners' areas of interest or concern. We established that some of the issues raised were not within the scope of this review.

PETITIONERS' CONCERNS AND OUR FINDINGS

City Council Pay

The petitioners had concerns about pay to Council members for meetings. A review was requested of the documentation for each Council member supporting the number, type, and amounts paid for meetings; the actual and budgeted Council members' pay; and the notification for special meetings.

Salaries of the governing body are required to be set by City ordinance.¹ Salaries may be an annual or monthly sum or a per-meeting rate. The City of Carlos ordinance regarding salaries of the Mayor and Council members states that they shall be set annually at the first meeting of the calendar year by the Council. We reviewed the City Council minutes for the period January 1, 2009, through December 31, 2011, and noted that specific salary amounts for the Mayor and Council members are not stated in the minutes; instead, the minutes state that pay is to be consistent with the prior year. Upon further inquiry and review, the City could provide no official records that identified specific approved amounts to be paid to Council members.

The Minnesota Supreme Court has ruled that meetings are gatherings of a quorum or more of the members of the governing body . . . to discuss, decide, or receive information as a group on issues relating to the official business of that governing body. Moberg v. Indep. Sch. Dist. No. 281, 336 N.W.2d 510 (Minn. 1983). A quorum is defined in Minn. Stat. § 412.191, subd. 1, as a majority of all the members. The City of Carlos is an Optional Plan A city, and its City Council consists of the Mayor and four Council members. See Minn. Stat. § 412.581. Therefore, any time three or more members of the Carlos City Council (including the Mayor) meet to discuss City-related business, it is a meeting. For special meetings, Minn. Stat. § 13D.04, subd. 2, generally requires the public body to post written notice of the date, time, place, and purpose of the meeting.

During the years 2009 through 2011, City Council members participated in a variety of meetings and activities. For the purposes of this report, “Regular Pay” is the annual salary for duties as a City Council member, including attendance at regular City Council meetings. “Special Pay” is a combination of pay for participating in special City Council meetings and other meetings or activities.

We inquired about the documentation for meetings other than regular City Council meetings. We were provided with a list of meetings each City Council member attended for the period January 1, 2009, through December 31, 2011, for which pay was received. Based on a review of that list, we identified special meetings where the whole City Council or a majority participated and for which public notice was made. The purpose of these meetings included discussion of such things as budgets, street and water projects, and a bond sale.

We also noted meetings on the list of three or more City Council members for which there was no public notice or meeting minutes. Because a majority of City Council members attended, these meetings qualify as special meetings requiring public notice in accordance with Minn. Stat. § 13D.04, subd. 2. Detailed information was not available to document these meetings. The purpose of these meetings included discussion of such things as City insurance, budgets, and bonds. One of these meetings in 2009 was identified on the list as an emergency meeting. There are exceptions to public notice requirements for emergency meetings.² However, typically, an emergency meeting is called when action is required by the governing body. A governing body takes action by voting, and Minn. Stat. § 13D.01, subd. 4, requires that the vote of each member be recorded in the minutes. That is, meeting minutes typically should be created and maintained.

¹ See Minn. Stat. § 415.11, subd. 1.

² See Minn. Stat. § 13D.04, subd. 3.

As discussed above, a gathering of a majority of a governing body is a meeting and posted notice is generally required for special meetings. While not included on the list of meetings provided by the City, the July 2, 2009, City Council minutes state, "Council met 30 mins prior to the meeting to discuss filling the open position on Council." Just as the meetings discussed in the preceding paragraph require public notice, the meeting of Council members outside of the regular meeting referenced in these minutes required public notice.

Other meetings and activities on the list, for which one or two City Council members each received payment, were noted for such things as meeting with the City Engineer and Attorney, meeting with/regarding the Equalization Board, and for election and computer training. Detailed information was not available to support these meetings and activities.

Table 1 is a summary of the number of special - with notice, special - no notice, and other meetings or activities attended by each City Council member compiled from the list provided by the City.

Table 1

Meetings	City Council Member				
	Dahl	Schiffman	Schackel	Illetshko	Zwieg
2009					
Special with notice	2	2	2	2	2
Special no notice	4	4	5	2	2
Other meetings	2	7	8	4	-
2010					
Special with notice	6	6	6	6	6
Special no notice	-	-	-	-	-
Other meetings	-	4	4	2	2
2011					
Special with notice	1	1	1	1	1
Special no notice	2	3	3	-	2
Other meetings	1	8	6	1	3

Table 2 shows actual pay and number of meetings attended by City Council members for the period January 1, 2009, through December 31, 2011.

Table 2

City Council Member	2009		
	Regular Pay	Special Pay	Number of Special and Other Meetings
Dahl	\$ 2,400	\$ 640	8
Schiffman	1,200	1,040	13
Schackel	1,200	1,200	15
Illetshko	1,200	640	8
Zwieg	600	320	4
Kluess	500	320	4
Actual	\$ 7,100	\$ 4,160	52
Budget	7,200	3,000	N/A
Variance	\$ 100	\$ (1,160)	N/A

2010			
City Council Member	Regular Pay	Special Pay	Number of Special and Other Meetings
Dahl	\$ 2,400	\$ 560	6
Schiffman	1,200	960	10
Schackel	1,200	960	10
Illetschko	1,200	720	8
Zwieg	1,200	720	8
Actual	\$ 7,200	\$ 3,920	42
Budget	7,200	3,000	N/A
Variance	\$ -	\$ (920)	N/A

2011			
City Council Member	Regular Pay ³	Special Pay	Number of Special and Other Meetings
Dahl	\$ 2,400	\$ 320	4
Schiffman	1,200	960	12
Schackel	1,200	1,007	10
Illetschko	1,200	160	2
Zwieg	1,200	480	6
Actual	\$ 7,200	\$ 2,927	34
Budget	7,200	2,000	N/A
Variance	\$ -	\$ (927)	N/A

Salaries and pay to attend special meetings are budgeted separately for the Mayor and for the aggregate remaining City Council members, and for 2009 and 2010, salaries were recorded separately from pay to attend special meetings. For 2011, pay was not separately identified between Regular Pay (annual salary) and Special Pay (meetings) on the Small City and Town Accounting System (CTAS), the City's general ledger system. Without evidence to the contrary, we assumed that 2011 annual salaries remained consistent with 2009 and 2010. Therefore, for each of the three years, the budgeted salary for the Mayor was \$2,400 and for Council members was \$4,800 (\$1,200 each). For 2009 and 2010, there were no special meeting amounts budgeted for the Mayor. For 2011, the approved special meeting budget for the Mayor was \$500. The approved budget for City Council members was \$3,000 for special meetings for each of the years 2009 and 2010 and \$1,500 for 2011. Actual gross pay corresponds to budgeted salaries. (See Table 2 and Appendix 1).

³For 2011, the OSA separated Regular Pay and Special Pay; these payments were coded to one line item in the City's general ledger (see Appendix 1).

As previously noted, specific salary and per-meeting pay amounts were not set by City ordinance as required by state law. Therefore, we calculated per-meeting pay amounts, for other than regular meetings which are covered by salaries, by dividing actual gross special pay by the number of special and other meetings identified on the list provided to us by the City. For 2009, this calculation consistently resulted in the Mayor and each Council member being paid \$80 per meeting, with the exception of the second bullet item below.

We also noted the following regarding City Council members' pay for 2009:

- The City did not provide support for meetings attended by City Council member Kluess, who resigned in 2009.
- According to the list of meetings attended in 2009 provided by the City, one City Council member was identified as attending nine special and other meetings. However, the per-meeting pay calculation indicates the number of meetings was eight.

For 2010 and 2011, using the same basis as for 2009, the calculation of per-meeting pay amounts resulted in inconsistent rates amongst City Council members and years. Because the documentation available to support the number of meetings was the list provided by the City, and only some of those meetings could be verified by public notice or minutes, it is likely that the list is not accurate.

Recommendations:

The OSA recommends the following regarding City Council meetings and pay:

- Pursuant to Minn. Stat. § 415.11, subd. 1, the City Council should set by ordinance all pay for the governing body, whether by annual and/or per meeting rates, at specific amounts. The types of meetings or activities for which pay will be allowed should also be specified.
- The City Council should establish a claims process whereby each City Council member is responsible for submitting claims documenting the meetings or activities in which they participated. The City Council should review and approve or deny the claims for payment.
- The City Council should be aware that any gathering of a quorum or majority of City Council members to discuss issues relating to the City constitutes a meeting. The City should comply with Minn. Stat. § 13D.04, subd. 2, which generally requires the public body to post written notice of the date, time, place, and purpose special meetings.

Budget to Actual Expenditures/Disbursements

The petitioners requested that we summarize budget-to-actual line-item expenditures/disbursements for the years ending December 31, 2009 through 2011. This information is included by fund in Appendices 1 through 6 in this report. The following outlines difficulties we encountered while compiling the budget-to-actual schedules requested:

1. Transactions Between Funds

The City currently records its activity in the following seven funds: General Fund, Fire Department Fund, First Responders Fund, Water Protection Fund, Public Improvement Fund, 4M Fund, and Utilities Fund. The 4M Fund is a money market account whose assets are pooled with other Minnesota cities to maximize investment earnings potential. The remaining six funds each have their own checking account. All seven of these funds are accounted for separately in the CTAS general ledger system.

During the years ending December 31, 2009, 2010, and 2011, checks amounting to \$101,576, \$386,658, and \$229,575, respectively, were written between funds of the City. These checks were written to move cash between funds for reasons such as:

- Every month, disbursements were routinely made to the Public Employees Retirement Association of Minnesota (PERA), the U.S. Treasury, and Minnesota Revenue for items such as payroll withholdings and sales and use tax. The disbursements were typically made from the General Fund; followed by a partial reimbursement from the Utilities Fund. The General Fund was also used to receipt the entire property tax levy received by the City. Checks were then issued from the General Fund to the Utilities Fund and the Public Improvement Fund for their respective shares of the tax levy. Since these types of transactions between funds were done using checks, receipts and disbursements were overstated in CTAS.
- Several instances occurred where one City fund incurred an expense but did not have sufficient cash to make the payment. Disbursements were subsequently paid out of other City funds, and repayments were made when cash was available in the fund that originally incurred the expense. These transactions were not noted in the minutes. Receipts and disbursements were overstated in CTAS by the amounts paid between the funds.
- Periodically, cash is moved from various funds via check to the 4M Fund for investment purposes. Except for lease payment activity, which was budgeted for and occurred in 2011, all transactions dealing with this fund result in an overstatement of receipts and disbursements in CTAS.
- During 2010, \$35,000 was transferred from the General Fund to the Public Improvement Fund. A transfer was approved in the City Council minutes between these two funds; however, no amount was stated in the minutes.

- During 2011, \$30,000 was transferred from both the General Fund and the Utilities Fund to the Public Improvement Fund and recorded as transfers. Approval for these transfers is not included in the City Council minutes.

Recommendations:

We recommend the checking accounts for the General Fund, Fire Department Fund, First Responders Fund, Water Protection Fund, Public Improvement Fund, and Utilities Fund be consolidated. CTAS has the ability to track cash by fund without the need for separate bank accounts. Consolidating the checking accounts would eliminate the need for multiple checks from several funds to pay a single invoice, and disbursements could then be coded to the correct fund in CTAS when disbursements are made. The benefit of consolidating checking accounts also includes reduction of administrative work by eliminating five bank reconciliations each month, reducing the number of transactions recorded in CTAS, and eliminating the need to track multiple interfund reimbursements which would ultimately eliminate the double-counting of receipts and disbursements in CTAS.

We also recommend that any transfer among City funds/accounts be discussed by the City Council, approved during City Council meetings, and recorded in the City Council meeting minutes. These discussions will help the City Council understand the City's financial position and clarify the purpose for the transfer. The City Council meeting minutes should identify the amount to be transferred, the funds/accounts involved in the transfer, the reason/purpose for the transfer, and the City Council's approval of the transfer.

The 4M Fund was established by the City in 2010 for the purpose of maximizing investment activity. We, therefore, recommend the 4M Fund incur expenditures only if they are investment related. Any other non-investment activity should be transacted and recorded out of other City funds.

In some instances, a transfer may actually be a loan from one fund to another in order to alleviate a temporary cash shortage. Such transfers are referred to as interfund loans and need to be recorded accordingly in the City's books. In addition, the City Council needs to consider repayment provisions for interfund loans. The OSA's Statement of Position on Temporary Interfund Loans is available on our website at www.auditor.state.mn.us.

2. City Council-Approved Budgets

Approved budgets were not included with the City Council minutes provided to us, nor were they attached to the minutes that are posted to the City's website. Upon request, the City provided us with budgets that we were told were approved by the City Council. Since the budget amounts are not discussed in the City's minutes, we could not verify that the budgets provided to us were the ones actually approved by the City Council. Upon inquiry, we were informed that budgets are provided to Council members in meeting packets and are available to those attending the budget meetings.

Recommendation:

We recommend the annual budgets approved by the City Council be included in, or attached to, the minutes of the City Council meetings.

3. Coding of Disbursements

CTAS provides budget-to-actual reports in its software. During our review, we identified numerous disbursements, many of them significant in amount, that were not posted to the account where they were budgeted. Budget-to-actual reports are only useful if the transactions are actually recorded as budgeted. We made several coding adjustments within the City's funds to correctly match actual disbursements with budgets. On the budget-to-actual schedules included as appendices in this report, if coding errors affected more than one fund, we made a note at the bottom of the schedule instead of moving disbursements between funds.

Recommendations:

Budget-to-actual reports are a management tool that can be used for planning and to monitor activity to help understand how closely the City is operating within its budget. We recommend that more care be taken by City staff when coding disbursements. Procedures should be in place to provide for a review of the coding by Council members when signing checks. We also recommend that Council members review budget-to-actual reports not less than annually. Accounts with significant budget-to-actual variances should be investigated and resolved.

Other Item Noted

As part of our examination, we reviewed the City Council meeting minutes for 2009 through 2011. We noted that the vote totals were nearly always all in favor of or all against the matter and one vote short of the number of members present at the meeting. We were informed that the Mayor votes only in the case of a tie. In most cases, the fact that it is the Mayor not voting is not recorded in the minutes. The Council meeting minutes do not indicate how each voting member of the Council voted.

Minnesota Statute § 13D.01, subd. 4, requires City Council meeting minutes to record the votes of all members, with limited exceptions.⁴ Carlos is a statutory city Plan A, and the Mayor is a voting member of the City Council. The Mayor's Handbook, page 29, promulgated by the Minnesota Mayors Association states the rule as follows:

⁴The vote of each member does not have to be recorded for "payments of judgments, claims, and amounts fixed by statute." Minn. Stat. § 13D.01, subd. 4(b).

“However, the law does require that the following be included in the minutes:

- The members of the public body who are present.
- The members who make or second motions.
- Roll call vote on motions.
- Subject matter of proposed resolutions or ordinances.
- Whether the resolutions or ordinances are defeated or adopted.
- The votes of each member, including the mayor.⁵

Recommendation:

We recommend that the votes of each Council member, including the Mayor, be recorded in the minutes for each action.

CONCLUSION

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on specified elements, accounts, or items relating to the petitioners’ concerns as identified in this report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters may have come to our attention that we would have reported to you.

This report has been prepared for the information of the petitioners of the City of Carlos, the Mayor and City Council, and the management of the City, but is a matter of public record, and its distribution is not limited.

/s/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

June 5, 2013

⁵Emphasis added.

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APPENDICES

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**City of Carlos
General Fund
Budget to Actual Disbursements
For the Years Ending December 31, 2009, 2010, and 2011**

APPENDIX I

	2009			2010			2011		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
City Council									
Wages and salaries	\$ 4,800	\$ 4,700	\$ 100	\$ 4,800	\$ 4,800	\$ -	\$ 4,800	\$ 4,800	\$ -
Special meetings	3,000	3,520	(520)	3,000	3,360	(360)	1,500	2,607	(1,107)
Dues and subscriptions	-	74	(74)	-	-	-	-	-	-
Schooling	-	60	(60)	-	-	-	-	-	-
Mileage	-	29	(29)	-	-	-	-	-	-
Mayor									
Wages and salaries	2,400	2,400	-	2,400	2,400	-	2,400	2,400	-
Special meetings	-	640	(640)	-	560	(560)	500	320	180
Dues and subscriptions	-	20	(20)	-	20	(20)	-	20	(20)
Building Inspector									
Wages and salaries	-	-	-	1,000	2,400	(1,400)	2,400	2,400	-
Building surcharges	-	161	(161)	50	-	50	50	-	50
Mileage	-	135	(135)	-	-	-	-	-	-
Clerk and Treasurer									
Wages and salaries	8,400	6,877	1,523	8,400	7,865	535	8,400	6,502	1,898
Special meetings	-	621	(621)	-	1,244	(1,244)	1,000	-	1,000
Dues and subscriptions	-	160	(160)	-	185	(185)	-	170	(170)
Mileage	-	89	(89)	-	-	-	-	-	-
Schooling	-	-	-	-	-	-	-	15	(15)
Elections									
Wages and salaries	-	-	-	1,500	1,465	35	-	-	-
Mileage	-	-	-	-	16	(16)	-	-	-
Miscellaneous	-	-	-	-	70	(70)	-	-	-
Professional Services									
Legal fees	3,000	3,070	(70)	3,500	2,959	541	2,500	2,091	409
Building inspections	1,000	900	100	-	-	-	-	-	-
Assessor fee	2,100	2,052	48	2,100	2,052	48	2,100	2,128	(28)
Other General Government									
Miscellaneous payroll taxes	1,500	2,638	(1,138)	1,500	2,472	(972)	1,500	2,443	(943)
Employee-paid PERA	-	312	(312)	-	447	(447)	-	544	(544)
Employer-paid PERA	-	351	(351)	325	532	(207)	500	643	(143)
Unemployment compensation	850	299	551	600	5,340	(4,740)	600	403	197
Workers' compensation	-	5,599	(5,599)	-	126	(126)	-	5,490	(5,490)
Office supplies	-	1,037	(1,037)	-	268	(268)	-	912	(912)
Dues and subscriptions	-	-	-	1,500	1,238	262	1,500	899	601
Insurance	16,000	14,425	1,575	17,000	14,764	2,236	17,000	14,991	2,009
Schooling	-	-	-	1,500	-	1,500	500	-	500
Mileage	-	-	-	300	-	300	300	-	300
Miscellaneous	500	3,621	(3,121)	500	167	333	500	80	420
Charges to others	-	45,449 *	(45,449)	-	-	-	-	-	-
Reimburse to other funds	-	-	-	-	138,497 *	(138,497)	-	63,399 *	(63,399)
Property taxes	4,100	4,103 *	(3)	4,100	4,111 *	(11)	4,100	4,120 *	(20)
Police									
Wages and salaries	7,650	6,483	1,167	7,000	6,363	637	7,000	5,729	1,271
Employer-paid PERA	895	901	(6)	895	884	11	895	746	149
Dues and subscriptions	25	-	25	25	-	25	25	16	9
Supplies	500	86	414	500	-	500	500	-	500
Repairs	650	114	536	650	647	3	650	1,454	(804)
Gas	1,500	690	810	1,000	766	234	1,000	1,067	(67)
Humane Society fees	500	142	358	500	260	240	500	-	500
Clothing	300	300	-	300	300	-	300	300	-

*Amount was paid to other fund(s) of the City and is not a General Fund expenditure.

**City of Carlos
General Fund
Budget to Actual Disbursements
For the Years Ending December 31, 2009, 2010, and 2011**

*APPENDIX I
(Continued)*

	2009			2010			2011		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Fire									
Dues and subscriptions	-	-	-	-	34	(34)	-	-	-
Donations	15,600	15,600	-	15,600	15,600	-	15,600	15,600	-
Supplies	2,000	2,000	-	2,000	2,000	-	2,000	2,016	(16)
State Fire Aid	-	13,233	(13,233)	-	1,000	(1,000)	-	-	-
Phone	1,200	1,552	(352)	1,500	1,696	(196)	1,700	1,725	(25)
Electric	1,000	836	164	750	1,049	(299)	900	977	(77)
Fuel	3,500	1,476	2,024	3,200	2,999	201	3,000	2,429	571
Projects	-	170	(170)	500	-	500	500	71,261	(70,761)
Other	-	-	-	-	12,220	(12,220)	-	-	-
Capital outlay	-	-	-	-	16,553	(16,553)	-	-	-
First Responders									
Donations	4,500	4,500	-	4,500	4,500	-	4,500	4,500	-
Supplies	1,500	1,500	-	1,500	1,500	-	1,500	1,500	-
Highways, Streets, and Roadways									
Wages and salaries	21,485	21,485	-	21,485	21,485	-	21,485	-	21,485
Dues and subscriptions	-	100	(100)	-	100	(100)	-	-	-
Supplies	-	13	(13)	-	58	(58)	-	-	-
Repairs	1,500	358	1,142	800	-	800	800	110	690
Garbage	750	846	(96)	750	797	(47)	550	710	(160)
Locates	300	132	168	300	174	126	300	199	101
Sand and salt	-	421	(421)	-	-	-	-	-	-
Signs and flags	300	561	(261)	300	433	(133)	300	-	300
Materials	1,500	2,811	(1,311)	1,000	1,185	(185)	2,000	1,575	425
Clothing	200	98	102	200	112	88	200	186	14
Christmas decor	1,000	195	805	500	-	500	500	330	170
Miscellaneous	-	-	-	-	1,148	(1,148)	-	1,530	(1,530)
Projects	17,137	-	17,137	17,137	-	17,137	9,255	-	9,255
City Equipment									
Dues and subscriptions	-	-	-	-	29	(29)	-	-	-
Supplies	750	304	446	500	678	(178)	1,000	419	581
Repairs	2,000	4,869	(2,869)	3,000	1,223	1,777	2,000	736	1,264
Gas	3,000	2,242	758	2,000	2,816	(816)	2,500	2,914	(414)
City Shed									
Supplies	600	239	361	400	159	241	200	366	(166)
Repairs	-	197	(197)	-	1,190	(1,190)	-	837	(837)
Fuel	2,200	844	1,356	1,500	1,493	7	2,200	1,705	495
Brown Shed									
Fuel	400	242	158	200	291	(91)	325	315	10
Town Hall									
Supplies	250	-	250	-	-	-	-	-	-
Repairs	-	160	(160)	-	75	(75)	200	-	200
Phone	600	463	137	450	509	(59)	550	510	40
Electric	1,500	1,715	(215)	1,500	1,881	(381)	1,750	2,131	(381)
Fuel	3,000	1,794	1,206	3,000	4,006	(1,006)	4,000	3,456	544
Remodeling	-	740	(740)	-	637	(637)	-	373	(373)
Lions Recreation Fund	-	-	-	-	-	-	-	2,008	(2,008)

*Amount was paid to other fund(s) of the City and is not a General Fund expenditure.

**City of Carlos
General Fund
Budget to Actual Disbursements
For the Years Ending December 31, 2009, 2010, and 2011**

*APPENDIX I
(Continued)*

	2009			2010			2011		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
City Office									
Office supplies	1,500	565	935	1,000	2,777	(1,777)	2,000	2,836	(836)
Dues and subscriptions	1,500	1,609	(109)	-	56	(56)	-	1,395	(1,395)
Supplies	100	10	90	100	-	100	100	-	100
Repairs	-	223	(223)	200	715	(515)	200	-	200
Computer expense	-	-	-	-	-	-	1,000	730	270
Phone	1,300	1,671	(371)	1,500	1,821	(321)	2,000	1,782	218
Electric	1,500	871	629	1,000	887	113	1,000	1,004	(4)
Office cleaning	-	-	-	-	-	-	360	355	5
Fuel	1,000	496	504	800	-	800	-	-	-
Water cooler	100	165	(65)	150	168	(18)	150	170	(20)
Schooling	1,000	-	1,000	-	-	-	-	-	-
Miscellaneous	-	-	-	-	46	(46)	-	-	-
Street Lighting									
Electric	4,500	5,673	(1,173)	4,000	7,106	(3,106)	6,000	6,511	(511)
Christmas electric	150	93	57	100	302	(202)	400	128	272
Tree replacement									
Supplies and repairs	1,000	1,229	(229)	1,000	-	1,000	2,000	-	2,000
Recreation									
Donations	500	500	-	500	3,350	(2,850)	500	125	375
Christmas lights winners	100	100	-	100	100	-	100	-	100
Carlos Fun Daze	500	500	-	500	500	-	500	500	-
Lakes area recreation	1,000	993	7	1,000	1,000	-	1,000	1,218	(218)
Carlos Cubs	500	-	500	500	250	250	500	-	500
Carlos Cougars	500	500	-	500	500	-	500	1,500	(1,000)
City Park									
Repairs	400	170	230	400	107	293	200	176	24
Ballpark									
Supplies	300	355	(55)	350	777	(427)	500	299	201
Repairs	500	234	266	300	873	(573)	300	2,257	(1,957)
Electric	700	577	123	500	887	(387)	500	1,009	(509)
Debt Service									
Bond payment - principal	-	40,000 ²	(40,000)	-	-	-	-	20,000 ¹	(20,000)
Bond payment - interest	-	21,155 ²	(21,155)	-	-	-	-	9,052	(9,052)
Miscellaneous									
Unauthorized expenses	-	-	-	-	-	-	-	13,471	(13,471)
Capital expenditures									
General	4,000	4,000	-	40,771	40,771 *	-	41,208	41,208 *	-
Total Disbursements	\$ 170,092	\$ 275,443	\$ (105,351)	\$ 204,788	\$ 369,201	\$ (164,413)	\$ 203,853	\$ 352,833	\$ (148,980)

¹Budgeted in the Utilities Fund.

²Budgeted in the Public Improvement Fund.

City of Carlos
Fire Department and First Responders Funds
Disbursements
For the Years Ending December 31, 2010 and 2011

APPENDIX 2

<u>Fire Department Fund</u>	<u>2010 Actual</u>	<u>2011 Actual</u>
Wages and salaries	\$ 8,000	\$ 7,304
Office supplies	1,377	1,303
Dues and subscriptions	1,319	1,361
Donations	12,000	10,000
Supplies	3,471	11,606
Repairs	5,964	2,155
Insurance	150	-
Gas	1,653	1,301
Auditing services	665	-
Schooling	1,620	1,134
Mileage	220	-
Miscellaneous	745	665
Reimburse to other funds	917 *	-
Total Disbursements	\$ 38,101	\$ 36,829

<u>First Responders Fund</u>	<u>2010 Actual</u>	<u>2011 Actual</u>
Office supplies	\$ 394	\$ -
Dues and subscriptions	90	67
Donations	-	6,000
Supplies	2,187	2,627
Repairs	257	2,154
Gas	268	201
Schooling	700	1,530
Total Disbursements	\$ 3,896	\$ 12,579

*Amount was paid to other fund(s) of the City and is not a Fire Department Fund expenditure.

The Fire Department and First Responders Funds were created in 2010. These funds are not budgeted.

**City of Carlos
Water Protection Fund
Disbursements
For the Years Ending December 31, 2010 and 2011**

APPENDIX 3

	2010 Actual	2011 Actual
Miscellaneous	\$ 70,000 *	\$ -

*The \$70,000 disbursement in 2010 was an expenditure of the Utilities Fund. Repayment from the Utilities Fund was received in 2010.

The Water Protection Fund was created in 2010. This fund is not budgeted.

City of Carlos
Public Improvement Fund
Budget to Actual Disbursements
For the Years Ending December 31, 2009, 2010, and 2011

APPENDIX 4

	2009			2010			2011		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
Debt Service									
Bond payment - principal	\$ 70,288	\$ -	\$ 70,288 *	\$ 55,000	\$ 55,000	\$ -	\$ 60,000	\$ 60,000	\$ -
Bond payment - interest	27,741	37,299	(9,558) *	35,955	35,955	-	33,913	33,913	-
Bond issuance fees	500	788	(288)	500	425	75	500	425	75
Refunds and reimbursements	-	1,308	(1,308)	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	25	(25)
Total Disbursements	\$ 98,529	\$ 39,395	\$ 59,134	\$ 91,455	\$ 91,380	\$ 75	\$ 94,413	\$ 94,363	\$ 50

*\$61,155 of the 2009 bond principal and interest payments were paid from the General Fund.

City of Carlos
4M Fund
Budget to Actual Disbursements
For the Years Ending December 31, 2010 and 2011

APPENDIX 5

	2010			2011		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General government - other	\$ -	\$ 4	\$ (4)	\$ -	\$ -	\$ -
Capital expenditures	36,771	4,462	32,309	32,673	38,464	(5,791)
Miscellaneous	-	45,000 *	(45,000)	-	-	-
Total Disbursements	\$ 36,771	\$ 49,466	\$ (12,695)	\$ 32,673	\$ 38,464	\$ (5,791)

*Miscellaneous disbursements consists of payments on behalf of the Utilities Fund. Repayment from the Utilities Fund was received in 2010.