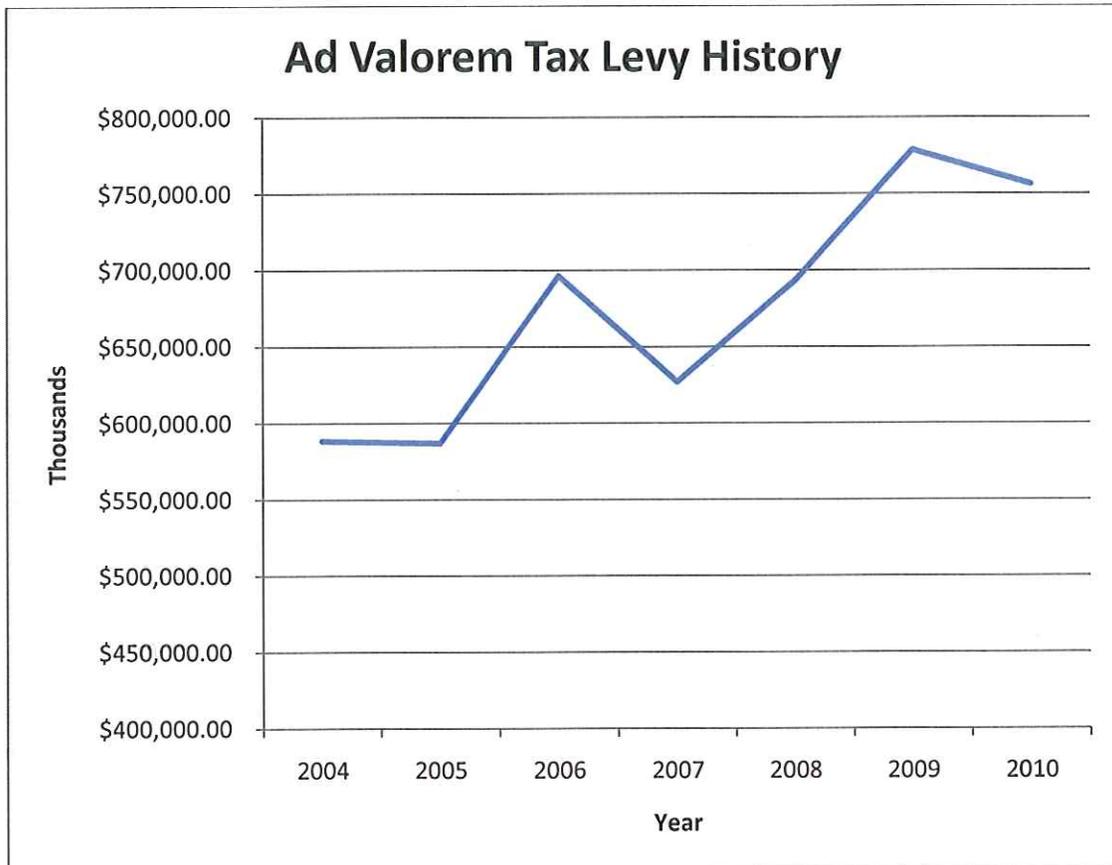


Budget Facts

2010 Assessed Valuation (est.)	\$17,146,755
2009 Assessed Valuation	\$18,029,793
Percent Increase from 2009	-4.89%
Ad Valorem Tax Levy 2010	\$756,158
Actual Property Tax Levy 2009	\$778,722
Difference in Property Tax Levied	-\$22,564
Percent Difference in Property Tax Levied	-2.99%

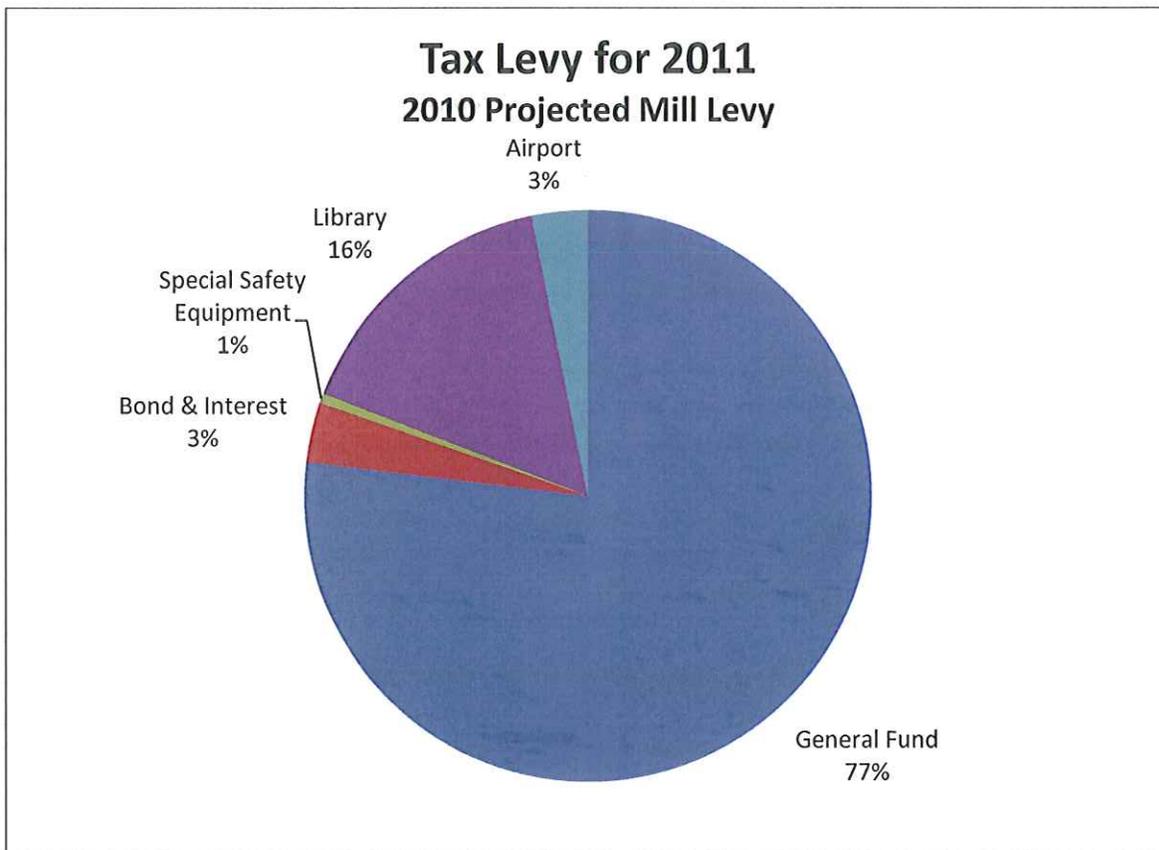
Ad Valorem Tax Levy History

2004-2010



Budget Facts

	2009 Mill Levy		Proposed 2010 Mill Levy	
General	620,039	34.420	581,602	33.919
Bond & Interest	19,961	1.108	25,587	1.492
Special Safety Equipment	11,129	0.617	3,981	0.232
Library	117,272	6.510	120,787	7.044
Airport	10,321	0.573	24,201	1.411
Special Parks & Recreation	0	0.000	0	0.000
	778,722	43.228	756,158	44.098



Budgeted Fund Descriptions:

The City maintains numerous funds used to provide City services. These appropriated funds include the following:

- General Fund
- Special Safety Equipment Reserve Fund
- Library Fund
- Airport Fund
- Bond & Interest Fund
- Electric Utility Fund
- Water Utility Fund
- Natural Gas Utility Fund
- Sewage Disposal Utility Fund
- Sanitation Utility Fund
- Special Highway Fund
- Special Parks & Recreation Fund
- Cemetery Fund

Governmental Funds

General Fund

The General Fund is the largest City tax-levied fund and pays for the majority of basic City functions. The City Council was asked to approve a \$2,286,144 general fund budget for 2011; down slightly from \$2,293,545 budgeted in 2010. The General Fund collects all general revenues and pays the majority of City salaries. The Enterprise Funds contribute to these salaries through interfund administrative transfers. Departments included within the General Fund include: Administration, Police, Utility Administration, Street, Property, Economic Development, Tree Board, Community Improvement, Recreation, Parks, and Aquatic Center.

Special Revenue Funds

Special Safety Equipment Reserve Fund

The Special Safety Equipment Reserve Fund is used to upgrade police vehicles and safety equipment with tax-levied funds.

Library Fund

This fund is used to account for the operations of the Osage City Public Library, which is funded primarily by property tax. The majority of this fund goes towards salaries and employee benefits for library employees. In prior years, the general administrative expenses were kept separate from the employee benefit expenses. To be in compliance with audit standards, however, the two have been combined into one tax levy.

Airport Fund

The Airport Fund receives revenue through a tax levy and hanger lease payments. The City rents six of its eight available spaces to individuals, which in 2009 resulted in \$8,595.17. Significant projects are scheduled to be completed at the airport in 2011 through a 95%/5% grant from the Federal Aviation Administration.

Bond & Interest Fund

This fund is used to make principal and interest payments to retire City debt. Total expenditures are budgeted at \$573,435. The largest revenue sources (excluding interfund transfers) are Special Assessments (\$33,000), Ad Valorem tax (\$25,587), and Motor Vehicle Tax (\$2,926).

Special Highway Fund

The revenue for this fund is from a portion of the state and county gasoline tax. These monies are required by statute to be used specifically for the construction and rehabilitation of City roadways. Total expenditures are budgeted at \$99,620, with \$82,610 dedicated to debt service and the remainder being sent to KDOT for previous repairs completed on a portion of Market Street/K-31. The City expects to receive \$77,880 in gasoline tax revenue in 2011. Lawmakers occasionally motion repeal of the gasoline tax; therefore the City of Osage City is watching this revenue and staying abreast of any changes in the law.

Special Parks & Recreation Fund

In 2010 the Special Parks and Recreation fund was consolidated with the General Fund. Previously Parks and Recreation department expenses were not expensed from the same fund, creating some administrative difficulties. The Special Parks and Recreation fund still receives revenue from liquor taxes, however. These monies will be collected and used for park capital improvements in the future.

Cemetery Trust Fund

No activity is appropriated in this fund for 2011 as burial fees, cemetery lot purchases, and maintenance costs of the cemetery are ran through the General Fund, specifically in the Property Department.

Enterprise Funds

Electric Utility Fund

The Electric Fund is supported by sales and charges for services by the electric utility. This fund pays for all wages and operating expenses of the utility, making this fund an enterprise fund. Total revenue for the Electric Fund in 2011 is \$4,670,600. Total expenditures are budgeted at \$4,759,620.

Water Utility Fund

The Water Fund is supported by sales and charges for services by the water utility. This fund pays for all wages and operating expenses of the utility, making this fund an enterprise fund. Total revenue for the Water fund in 2011 is \$1,175,135. Total expenditures are budgeted at \$1,088,580.

Natural Gas Utility Fund

The Natural Gas Fund is supported by sales and charges for services by the natural gas utility. This fund pays for all wages and operating expenses of the utility, making this fund an enterprise fund. Total revenue for the Natural Gas fund in 2011 is \$1,803,500. Total expenditures are budgeted at \$1,890,690.

Sewage Disposal Utility Fund

The Sewer Fund is supported by sales and charges for services by the sewage disposal utility. This fund pays for all wages and operating expenses of the utility, making this fund an enterprise fund. Total revenue for the Sewage Disposal fund in 2011 is \$250,000. Total expenditures are budgeted at \$291,400.

Sanitation Utility Fund

The Sanitation Fund is supported by sales and charges for services by the sanitation utility. This fund pays for all wages and operating expenses of the utility, making this fund an enterprise fund. Total revenue for the Sanitation fund in 2011 is \$330,000. Total expenditures are budgeted at \$344,260.

Non-Budgeted Fund Descriptions:

The City also has a number of other funds that are used for special circumstances. These are not required to be included in the annual budget because the revenues received have already been reported as expenditures in other City funds or the City is only the holder of the funds (not the owner). Funds included in these categories are:

- Special Enforcement Trust Fund
- Pool Capital Improvement Fund
- Capital Improvement Fund
- Equipment Reserve Fund
- Utility Deposits Fund
- Court Bond Fund
- Public Building Commission Fund
- Certificates of Participation Fund
- PBC Revenue Bonds Fund
- Golf Course Fund
- CDBG Fund

Special Revenue Funds

Special Enforcement Trust Fund

This fund is used to accrue money seized during drug investigations. The only activity seen in the past years has been a very minimal interest accumulation.

Pool Capital Improvement Fund

The Pool CIP Fund was created in 2003 with the implementation of a 1% City sales tax dedicated to the construction of the new aquatic center. Revenues come from sales tax transfers from the General Fund, and expenditures include debt service payments on the City's General Obligation Sales Tax bonds.

Capital Improvement Fund

This fund is used for expenditures for the Capital Improvement Plan and emergency projects once approved by the City Council.

Equipment Reserve Fund

The Equipment Reserve Fund is used for planned equipment or vehicle replacements that are approved by the City Council. This fund receives its revenues from interfund transfers from the General and Enterprise Funds.

Utility Deposits, Court Bond, & Golf Course Funds

These Agency Funds are funds that hold assets under an agency relationship for another entity or individual. The City requires utility deposits to be held until the account has been in good standing for 12 months, at which time the deposit is applied to the next utility bill(s). The Court Bond fund is a pass through fund that makes payments to the state after individuals first make a payment to the City for municipal court costs. The Osage City Country Club on occasion purchases pieces of equipment through the City. The financing for golf carts or mowers is set up with the City's name on the paperwork and the golf course will make payments to the City who then writes a check to the financial institution. The City does not involve its own monies any of these funds, which is the nature of an agency fund.

Public Building Commission Fund

One titled the Medical Arts Fund, this fund is used to account for projects and monies associated with the Osage City Public Building Commission. The projects that are linked with the PBC are the Medical Arts Facility and the City Lake Dam rehabilitation.

Certificates of Participation Fund

This fund was set up to track monies deposited in a money market account at Security Bank of Kansas City. The funds on deposit were excess proceeds from the sale of the 2004 Certificates of Participation associated with the Grandstands Project, which was never completed.

PBC Revenue Bonds Fund

This fund was set up to track monies deposited in a money market account at Security Bank of Kansas City. The funds on deposit were excess proceeds from the sale of the 2004 Public Building Commission Revenue Bonds associated with the construction of the Medical Arts Facility.

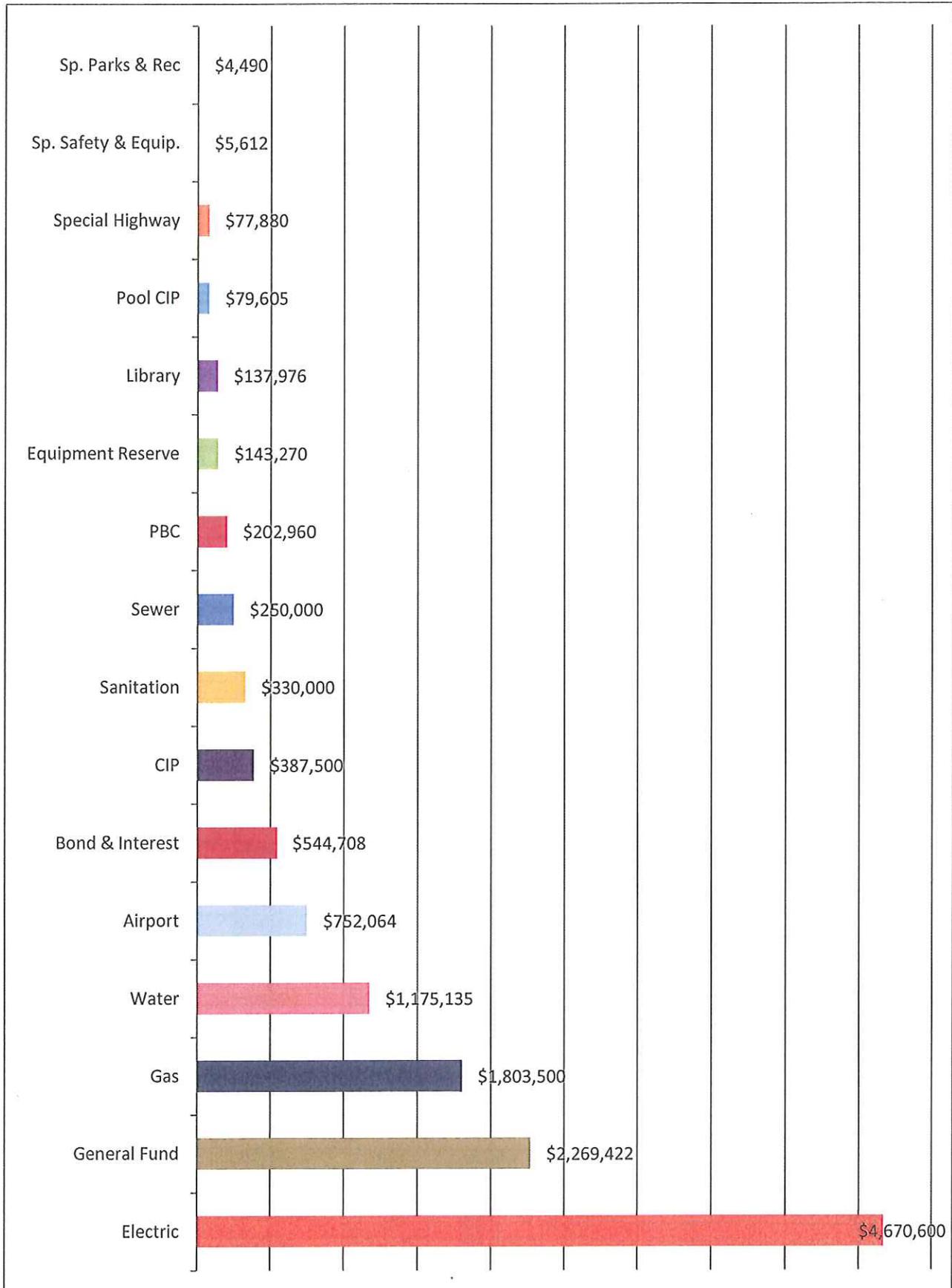
CDBG Fund

This fund tracks Community Development Block Grant payments from KanBuild, Inc. to the Kansas State Department of Commerce via the City.

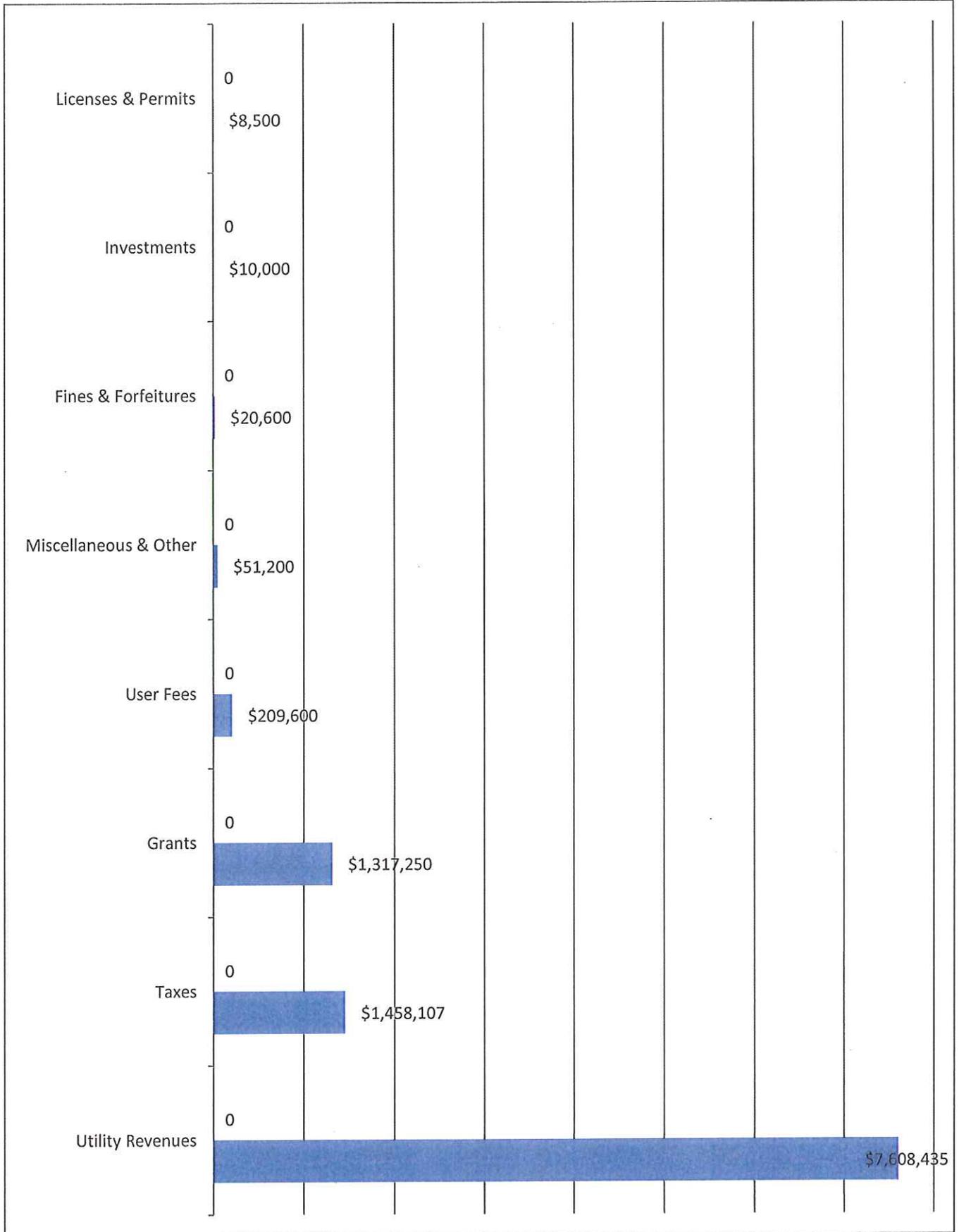
GENERAL FUND REVENUE HISTORY

#	Line Item	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 APPROVED	2011 PROPOSED
4000	AD VALOREM TAX	160,979.10	256,604.18	316,195.72	372,763.63	620,039.00	581,602.00
4001	DELINQUENT TAX	2,285.79	2,614.97	3,372.61	7,324.32	0.00	0.00
4002	MOTOR VEHICLE TAX	26,016.27	30,131.51	70,644.55	51,415.72	77,933.00	90,880.00
4003	LAVTR	0.00	0.00	0.00	0.00	0.00	0.00
4004	SPECIAL ASSESSMENTS	0.00	0.00	0.00	0.00	0.00	0.00
4005	LOCAL SALES TAX	143,527.88	144,686.51	140,118.16	135,211.38	130,000.00	125,000.00
4006	LOCAL ALCOHOLIC LIQUOR TAX	2,776.05	3,121.50	3,913.11	4,327.65	4,130.00	4,490.00
4007	CITY COUNTY REVENUE SHARING	0.00	0.00	0.00	0.00	0.00	0.00
4009	CONNECTING LINK	7,854.01	7,854.01	7,859.18	7,848.83	7,850.00	7,850.00
4010	BINGO TAX	0.00	0.00	0.00	0.00	0.00	0.00
4011	PROPERTY REDUCTION SALES TAX	0.00	0.00	140,193.12	134,760.55	136,000.00	130,000.00
4012	POOL SALES TAX	0.00	0.00	0.00	202,251.84	204,000.00	195,000.00
	Taxes	343,439.10	445,012.68	682,296.45	915,903.92	1,179,952.00	1,134,822.00
4100	FINES	17,810.32	20,474.67	14,572.78	24,789.49	20,000.00	20,000.00
4101	DIVERSION FEES	1,445.00	350.00	825.00	675.00	800.00	600.00
4105	LAB FEES	0.00	0.00	0.00	400.00	0.00	0.00
	Fines & Forfeitures	19,255.32	20,824.67	15,397.78	25,864.49	20,800.00	20,600.00
4200	LICENSES	4,126.00	3,961.00	4,199.00	4,083.00	4,000.00	4,000.00
4201	LAKE PERMITS	0.00	0.00	0.00	0.00	0.00	0.00
4202	BUILDING PERMITS	4,584.50	5,066.90	3,959.00	5,933.00	4,000.00	4,500.00
	Licenses & Permits	8,710.50	9,027.90	8,158.00	10,016.00	8,000.00	8,500.00
4700	INTEREST ON IDLE FUNDS	122,207.31	216,401.72	109,669.54	10,434.81	13,000.00	10,000.00
	Investments	122,207.31	216,401.72	109,669.54	10,434.81	13,000.00	10,000.00
4300	BURIAL FEES	8,040.20	6,177.50	10,000.00	10,900.00	7,500.00	10,000.00
4301	CEMETERY LOTS	1,500.00	1,500.00	2,100.00	3,750.00	2,000.00	2,100.00
4302	LEASE / RENTAL	9,548.80	5,606.30	6,905.00	4,079.00	7,000.00	6,000.00
4303	BUILDING DEPOSIT	3,299.00	3,625.00	3,650.00	3,160.00	3,600.00	3,100.00
4304	SWIMMING POOL	32,154.90	28,390.45	27,429.69	25,629.65	27,000.00	26,000.00
4305	FRANCHISE FEES	30,602.50	30,119.52	30,679.36	29,985.00	30,000.00	29,800.00
4307.2	SPECIAL EVENT USER FEES	0.00	0.00	101.40	382.00	0.00	0.00
4307.3	YOUTH PROGRAM USER FEES	0.00	0.00	0.00	0.00	35,000.00	30,000.00
4308	CONCESSION	10,135.05	13,283.53	10,566.41	9,328.69	16,000.00	16,000.00
4309	ANIMAL CONTROL FEES	944.00	561.50	525.00	1,521.00	500.00	700.00
4310	WORLDS OF FUN PASS THRU	0.00	0.00	0.00	0.00	700.00	0.00
4311	BBQ BUCKS			1,482.00	2,817.00	1,480.00	2,500.00
4312	SPONSOR USER FEES			7,025.00	7,250.00	7,030.00	5,300.00
4313	VENDOR USER FEES			7,890.00	9,595.00	7,890.00	10,000.00
	User Fees	96,224.45	89,263.80	108,353.86	108,397.34	145,700.00	141,500.00
4600	TRANSFER FROM ELECTRIC	93,654.00	244,387.37	103,799.28	134,090.00	120,570.00	120,000.00
4601	TRANSFER FROM WATER	19,185.00	53,241.85	22,587.98	33,830.00	53,570.00	53,000.00
4602	TRANSFER FROM GAS	56,300.00	97,980.67	57,617.98	67,030.00	87,570.00	87,000.00
4603	TRANSFER FROM SEWER	6,853.98	14,032.83	6,765.96	6,930.00	7,000.00	7,000.00
4604	TRANSFER FROM SANITATION	20,000.00	17,426.17	9,832.74	10,140.00	10,500.00	10,500.00
4606	TRANSFER MISC.	348.72	8,575.56	0.00	26,989.33	21,446.00	46,500.00
4607	ADMINISTRATION FEES	481,788.86	263,228.26	509,714.25	644,280.00	594,500.00	594,500.00
4608	TRANSFER FROM SPECIAL SALES	148,483.73	115,869.59	0.00	0.00	0.00	0.00
	Transfers In	826,614.29	814,742.30	710,318.19	923,289.33	895,156.00	918,500.00
4501	GRANT PROCEEDS	328.60	256.34	0.00	0.00	0.00	0.00
	Grants	328.60	256.34	0.00	0.00	0.00	0.00
4800	REFUNDS & REIMBURSEMENTS	24,052.15	6,369.09	46,143.46	19,965.29	0.00	10,000.00
4801	MISCELLANEOUS	4,590.05	27,282.66	27,436.01	32,191.13	26,500.00	25,000.00
4802	SALE OF EQUIPMENT	49.30	10.80	0.00	0.00	0.00	0.00
4803	DONATIONS	500.00	0.00	1,305.00	200.00	1,000.00	500.00
	Miscellaneous & Other	29,191.50	33,662.55	74,884.47	52,356.42	27,500.00	35,500.00
	General Fund Total Revenue	1,445,971.07	1,629,191.96	1,709,078.29	2,046,262.31	2,290,108.00	2,269,422.00

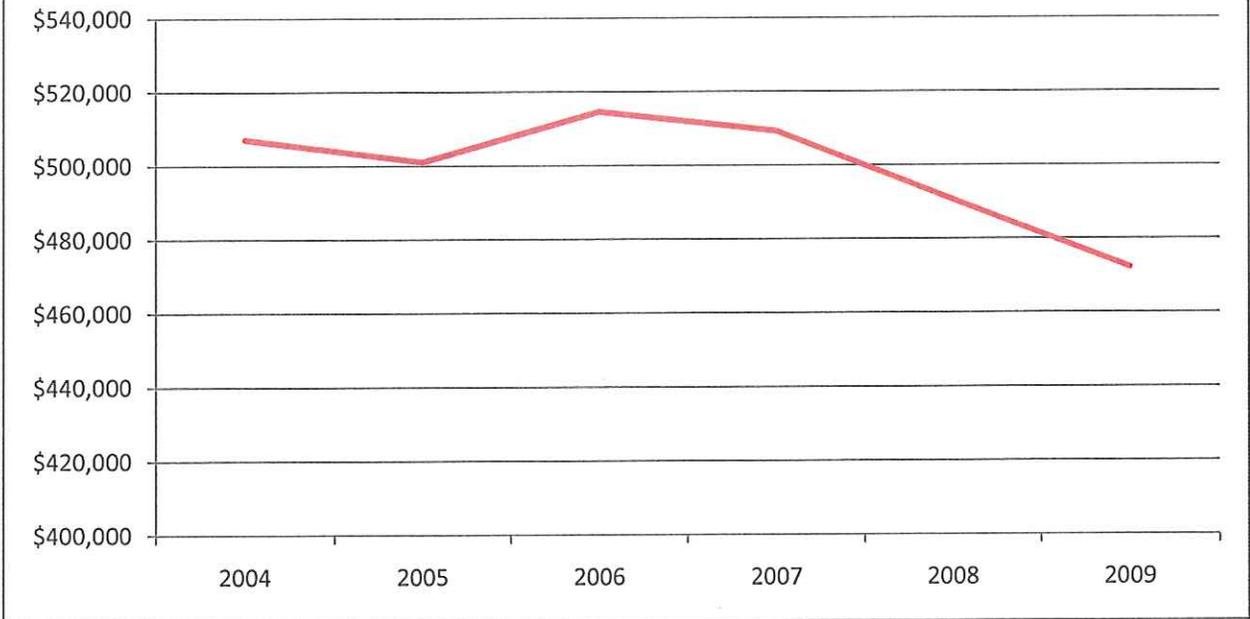
2011 Revenue by Fund



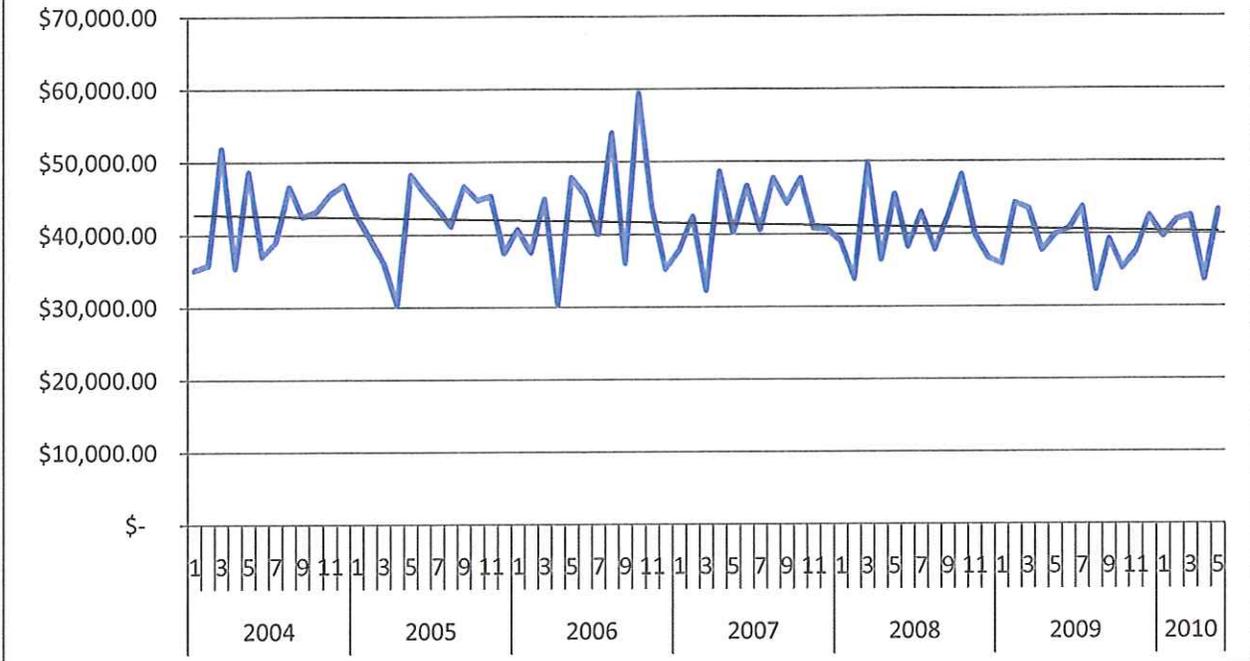
2011 Revenue Source all Funds



Annual Sales Tax Revenue Trends 2004 - 2009

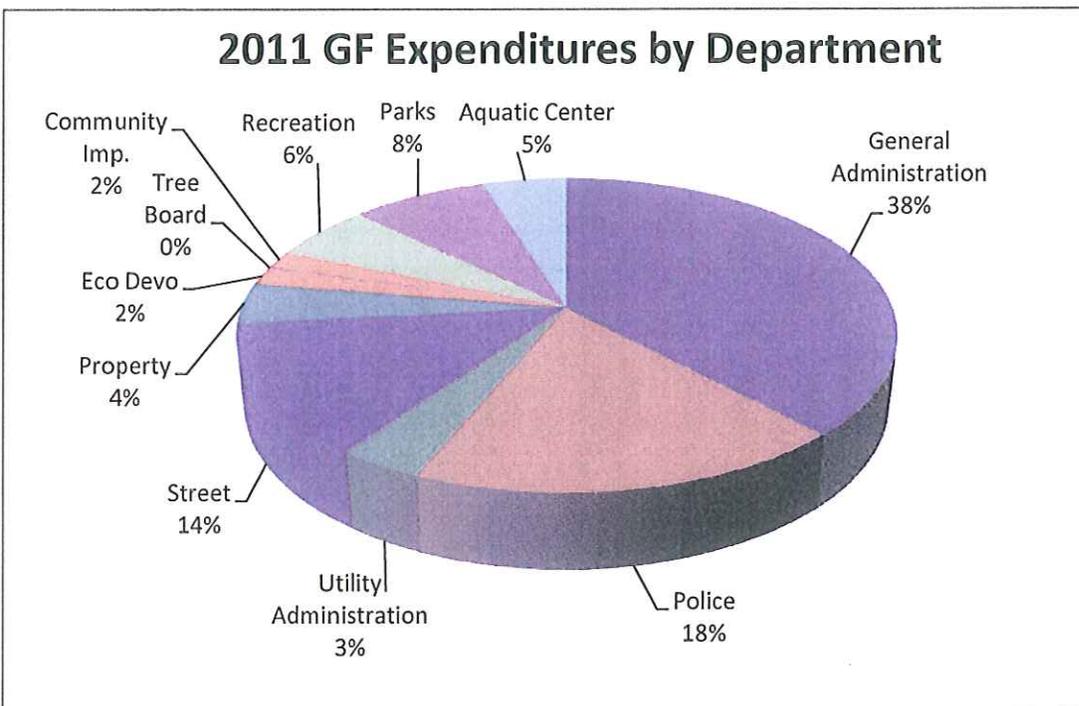


Monthly Sales Tax Revenue Trends January 2005 - Present



2009-2011 Expenditures by Department

	<u>2009 Actual</u>	<u>2010 Approved</u>	<u>2011 Budgeted</u>
General Fund			
General Administration	816,164	886,620	868,150
Police	380,708	406,950	419,268
Utility Administration	76,823	82,600	81,570
Street	256,915	307,760	310,593
Property	78,174	89,785	94,165
Eco Devo	32,773	41,200	41,200
Tree Board	2,936	4,000	4,000
Community Imp.	70,831	60,560	40,930
Recreation	155	138,970	131,888
Parks	160,612	162,900	181,580
Aquatic Center	97,563	112,200	112,800
Electric Production	2,348,071	2,679,940	3,358,360
Electric Distribution	299,167	331,065	369,700
Water Production	387,036	349,650	396,710
Water Distribution	116,539	124,350	140,435
Natural Gas Distribution	113,135	183,750	174,710
Sewage Disposal	159,009	217,180	291,400
Sanitation	348,695	334,020	344,260
Special Parks & Recreation	166,349	21,416	46,500
Totals	5,911,656	6,534,916	7,408,219



Statement of Actual Revenues, Expenditures, and Changes in Fund Balance for 2009

	General Fund	Special Safety Equip.	Library	Airport	Bond & Interest	Electric	Water	Gas	Sewer	Sanitation	Special Highway	Special Parks & Rec.	Cemetery	Totals
Beginning Fund Balance	78,799	67,708	-	54,117	53,574	659,833	306,411	504,963	173,291	172,991	84,377	5,659	14,475	2,176,197
Revenues:														
Taxes	915,904	17,833	131,080	15,568	108,486	-	-	-	-	-	71,484	126,895	-	1,387,249
Fines & Forfeitures	25,864	-	-	-	-	-	-	-	-	-	-	-	-	25,864
Licenses & Permits	10,016	-	-	-	-	-	-	-	-	-	-	-	-	10,016
Investments	10,435	-	-	-	-	-	-	-	-	-	-	-	-	10,435
User Fees	108,397	-	-	8,595	-	5,128	-	-	-	-	-	36,441	-	158,561
Transfers In	923,289	-	-	-	470,778	-	-	-	-	-	17,981	-	-	1,394,067
Grants & Other Srcs	-	-	-	255,005	-	-	-	-	-	-	-	-	-	272,986
Utility Revenues	-	-	-	-	-	3,988,859	1,020,106	1,561,375	200,000	322,795	-	-	-	7,093,134
Miscellaneous	52,356	-	-	2,000	-	21,365	3,391	542	1,030	11,016	-	3,013	-	94,712
Total Revenues	2,046,262	17,833	131,080	281,168	579,264	4,015,351	1,023,497	1,561,917	201,029	333,811	89,465	166,349	-	10,447,025
Expenditures:														
Personnel Costs	1,120,817	-	-	-	-	394,712	165,990	51,592	56,312	111,535	-	64,055	-	1,965,013
Contractual Services	381,298	-	-	10,636	-	222,495	216,227	33,909	24,960	103,400	-	17,176	-	1,010,101
Commodities	130,788	527	-	298	-	1,996,995	96,743	757,945	8,908	18,511	-	21,992	-	3,032,707
Capital Outlays	19,674	30,224	-	-	-	37,440	9,997	8,249	19,528	62,690	-	7	-	187,808
Non-Expense Items	8,721	-	131,080	-	-	90,449	25,075	36,754	-	-	-	897	-	292,976
Transfers Out	288,141	-	-	-	-	930,580	305,137	323,990	49,300	52,560	78,560	-	-	2,028,268
Debt Service	-	-	-	-	570,123	33,097	197,007	-	-	-	-	-	-	800,227
Capital Improvements	24,216	5,568	-	286,103	-	36,587	16,841	16,841	-	-	17,010	422	-	403,588
Total Expenditures	1,973,655	36,319	131,080	297,037	570,123	3,742,353	1,033,018	1,229,281	159,009	348,695	95,570	104,548	-	9,720,688
Fund Balance, ending	151,406	49,222	-	38,248	62,715	932,831	296,889	837,598	215,312	158,107	78,272	67,460	14,475	2,902,534

Statement of Budgeted Revenues, Expenditures, and Changes in Fund Balance for 2010

	General Fund	Special Safety Equip.	Library	Airport	Bond & Interest	Electric	Water	Gas	Sewer	Sanitation	Special Highway	Special Parks & Rec.	Cemetery	Totals
Beginning Fund Balance	151,406	49,222	-	38,248	62,715	932,831	296,889	837,598	215,312	158,107	78,272	67,460	14,475	2,902,534
Revenues:														
Taxes	1,154,397	12,781	131,164	12,493	64,867	-	-	-	-	-	82,520	4,130	-	1,462,352
Fines & Forfeitures	20,800	-	-	-	-	-	-	-	-	-	-	-	-	20,800
Licenses & Permits	8,000	-	-	-	-	-	-	-	-	-	-	-	-	8,000
Investments	13,000	-	-	-	-	-	-	-	-	-	-	-	-	13,000
User Fees	145,700	-	-	9,000	-	5,170	-	-	-	-	-	-	-	159,870
Transfers In	895,156	-	-	-	471,270	-	-	-	-	-	-	-	-	1,366,426
Grants & Other Srcs	-	-	-	17,000	-	-	-	-	-	-	-	-	-	17,000
Utility Revenues	-	-	-	-	-	3,938,745	1,119,500	1,824,807	247,188	306,000	-	-	-	7,436,240
Miscellaneous	27,500	-	-	-	-	12,000	3,500	-	-	-	-	-	-	43,000
Total Revenues	2,264,553	12,781	131,164	38,493	536,137	3,955,915	1,123,000	1,824,807	247,188	306,000	82,520	4,130	-	10,526,688
Expenditures:														
Personnel Costs	1,231,200	-	-	-	-	432,805	189,985	116,150	60,800	114,300	-	-	-	2,145,240
Contractual Services	425,920	-	-	10,300	-	183,340	169,415	50,705	30,880	91,750	-	-	-	962,310
Commodities	199,165	-	-	2,500	-	2,305,950	117,340	1,435,500	16,000	24,500	-	-	-	4,100,955
Capital Outlays	21,450	30,000	-	3,000	-	28,000	6,000	12,000	500	50,000	-	-	-	150,950
Non-Expense Items	9,100	-	131,164	-	-	97,250	20,000	46,650	-	-	-	-	-	304,164
Transfers Out	254,000	-	-	-	-	847,560	347,640	354,570	61,000	53,470	81,925	21,416	-	2,021,581
Debt Service	40,000	-	-	-	569,380	33,150	205,025	-	-	-	-	-	-	847,555
Capital Improvements	112,710	6,000	-	41,500	-	100,000	-	-	48,000	-	17,010	-	-	325,220
Total Expenditures	2,293,545	36,000	131,164	57,300	569,380	4,028,055	1,055,405	2,015,575	217,180	334,020	98,935	21,416	-	10,857,975
Fund Balance, ending	122,414	26,003	-	19,441	29,472	860,691	364,484	646,830	245,320	130,087	61,857	50,174	14,475	2,571,247

Statement of Projected Revenues, Expenditures, and Changes in Fund Balance for 2011

	General Fund	Special Safety Equip.	Library	Airport	Bond & Interest	Electric	Water	Gas	Sewer	Sanitation	Special Highway	Special Parks & Rec.	Cemetery	Totals
Beginning Fund Balance	122,414	26,003	-	19,441	29,472	860,691	364,484	646,830	245,320	130,087	61,857	50,174	14,475	2,571,247
Revenues:														
Taxes	1,134,822	5,612	137,976	25,814	61,513	-	-	-	-	-	77,880	4,490	-	1,448,107
Fines & Forfeitures	20,600	-	-	-	-	-	-	-	-	-	-	-	-	20,600
Licenses & Permits	8,500	-	-	-	-	-	-	-	-	-	-	-	-	8,500
Investments	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000
User Fees	141,500	-	-	9,000	-	5,100	-	-	-	-	-	-	-	155,600
Transfers In	918,500	-	-	-	483,195	-	-	-	-	-	-	-	-	1,401,695
Grants & Other Srcs	-	-	-	717,250	-	600,000	-	-	-	-	-	-	-	1,317,250
Utility Revenues	-	-	-	-	-	4,053,500	1,171,435	1,803,500	250,000	330,000	-	-	-	7,608,435
Miscellaneous	35,500	-	-	-	-	12,000	3,700	-	-	-	-	-	-	51,200
Total Revenues	2,269,422	5,612	137,976	752,064	544,708	4,670,600	1,175,135	1,803,500	250,000	330,000	77,880	4,490	-	12,021,387
Expenditures:														
Personnel Costs	1,245,684	-	-	-	-	440,060	172,665	102,460	61,650	113,190	-	-	-	2,135,709
Contractual Services	440,550	-	-	10,300	-	791,550	184,850	52,380	32,450	94,000	-	-	-	1,606,080
Commodities	200,200	-	-	2,500	-	2,349,100	123,580	1,238,600	14,400	28,200	-	-	-	3,956,580
Capital Outlays	13,650	26,000	-	3,000	-	63,300	10,100	15,300	500	43,400	-	-	-	175,250
Non-Expense Items	10,250	-	137,874	-	-	104,100	28,400	40,950	-	-	-	-	-	321,574
Transfers Out	265,000	-	-	-	-	855,190	322,260	341,000	182,400	65,470	82,610	46,500	-	2,160,430
Debt Service	78,710	-	-	-	573,435	33,120	197,025	-	-	-	-	-	-	882,290
Capital Improvements	32,100	4,000	-	755,000	-	123,200	49,700	100,000	-	-	17,010	-	-	1,081,010
Total Expenditures	2,286,144	30,000	137,874	770,800	573,435	4,759,620	1,088,580	1,890,690	291,400	344,260	99,620	46,500	-	12,318,923
Fund Balance, ending	105,692	1,615	102	705	745	771,671	451,039	559,640	203,920	115,827	40,117	8,164	14,475	2,273,711

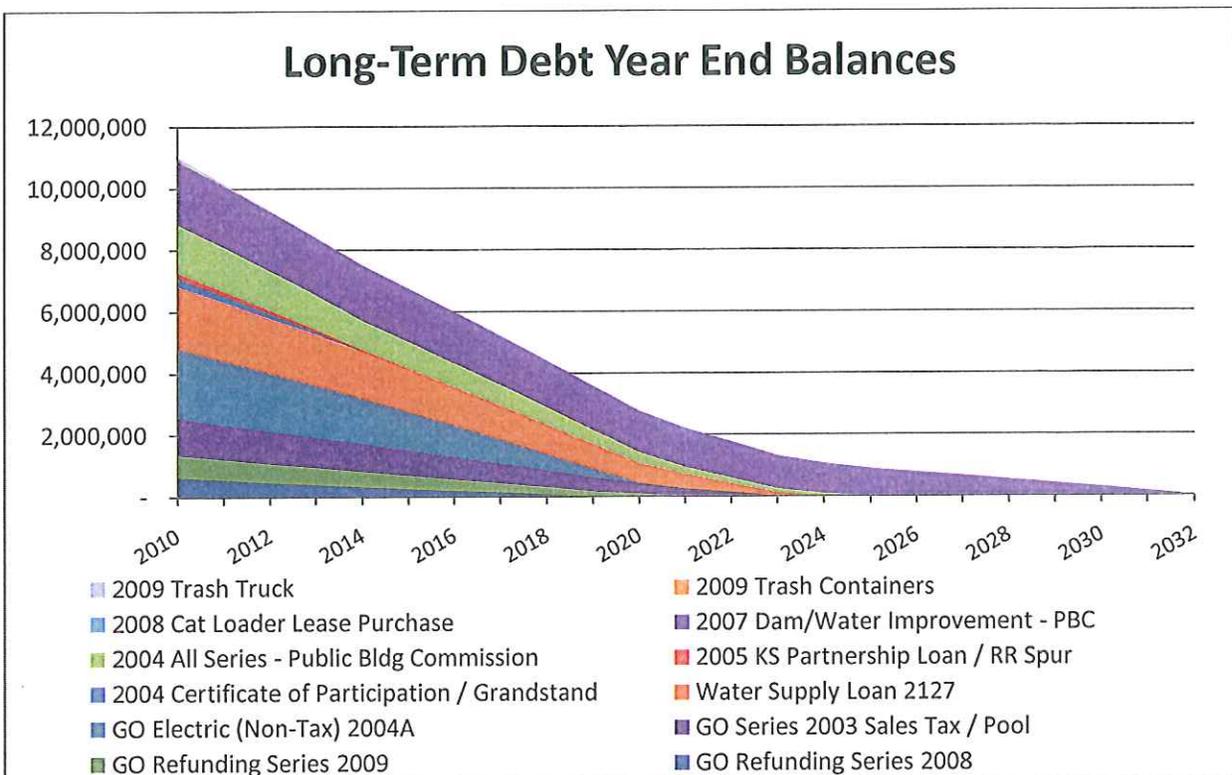
Long-Term Debt

Annual budget constraints provide few opportunities to use operating budgets to finance the required investment in new and remedial infrastructure construction on an annual basis. Therefore, the City uses financial alternatives to make sure that infrastructure addition needs and remedial maintenance items are addressed.

The primary method of financing infrastructure upgrades or new construction is issuance of long-term bonds. These bonds come in the form of General Obligation, Revenue, and Special Assessment Bonds. The City has also used Certificates of Participation, a form of lease to purchase, to finance the cost of new facilities.

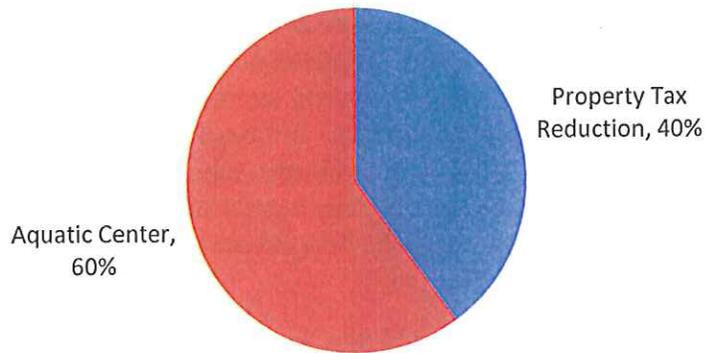
According to K.S.A. 10-308, cities may issue longer-term debt not to exceed 30 percent of total assessed valuation. However, such projects as sanitary sewer and water lines, municipal utility enlarging or improving, and certain intersection improvements do not count against the total “debt lid” as set forth in K.S.A. 10-309. The value of personal property and motor vehicles is counted with real estate property values to calculate total assessed valuation. In Osage City’s case, this total assessed valuation equals \$17,146,755 as of July 1, 2010. In gross terms, taking the total assessed value of property times the 30 percent debt lid limit, Osage City can legally issue debt equivalent to \$5,144,027. However, when those projects that are exempt from the debt lid are subtracted from the total, Osage City’s debt equals \$3,406,647 as of July 1, 2010.

Currently Osage City has outstanding debt of \$11,720,386 but exempt projects reduce the direct debt to the \$3,406,647 total, meaning that Osage City has additional debt capacity of 1,737,380. The following graph shows collective balances on all long-term debt the City pays. It is an important goal for the City to reduce the amount of debt outstanding in the coming years.



In the past the voters of Osage City have authorized financing for certain projects. In April 2003 the citizens of Osage City authorized the establishment of a 1% citywide retail sales tax. Six-tenths of the tax is used to pay for the costs of constructing a new pool, including the payment of principal and interest on bonds issued by the City to finance the aquatic center. Four-tenths of the tax is applied toward general property tax reduction in the City. Of the six-tenths, funds are first transferred to the Bond and Interest Fund to cover the debt payments on the sales tax bonds and the remainder is transferred to the Pool Capital Improvement Fund for funding of capital improvements related to the pool.

1 cent Sales Tax



Debt Summary (as of July 1, 2010)

Legal Limitation of Bonded Debt*	\$5,144,027
Outstanding General Obligation Debt	\$2,725,000
Outstanding Revenue Bonds Debt.....	\$0
Outstanding Other Debt	\$681,647
Debt Exempt from Debt Limit Calculation	\$8,313,739
Net Debt against Debt Limit Capacity.....	\$3,406,647
Additional Debt Capacity	\$1,737,380
Debt per capita (Population = 2824)	\$1, 206
Debt as a Percentage of Assessed Valuation	19.87%

*K.S.A. 10-308

Full-Time Staffing Levels

The 2009 budget authorized 36 full-time positions, 10 part-time, and 26 seasonal positions. The 2010 budget calls for the same number of employees.

2010 full-time staff levels are broken down as follows:

General Administration Staff:

City Manager
City Clerk/Municipal Court Clerk
City Treasurer
2 Utility Billing Clerks

Police Department Staff:

Chief of Police
Assistant Chief of Police
4 Parole Officers

Utility Administration Staff:

Director of Utilities

Street Department Staff:

Street Superintendent
3 Equipment Operators

Property Department Staff:

Cemetery Sexton/Buildings Manager

Community Improvement Staff:

Facilities Director

Recreation Department Staff:

Parks and Recreation Director

Parks Department Staff:

Recreation Facilities Manager

Electric Department Staff:

Power Plant Superintendent
3 Power Plant Operators
Line Distribution Superintendent
2 Journeyman Linemen
Groundman

Water Department Staff:

Water Superintendent
2 Systems Operators

Gas Department Staff:

Gas Superintendent
Systems Operator

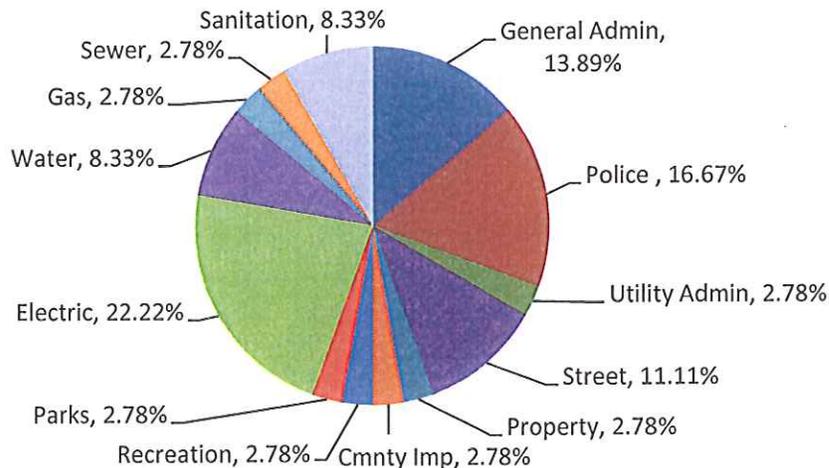
Sewer Department Staff:

Sewer Superintendent
Systems Operator

Sanitation Department Staff:

Sanitation Superintendent
Sanitation Driver
2 Sanitation Workers

Full-Time Staffing by Department





Organizational Chart

