

**CITY OF CANTON, KANSAS**  
**FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**CITY OF CANTON, KANSAS**  
**CITY OF THE THIRD CLASS**  
**For the Year Ended December 31, 2011**

Bradley M. Smiley, Mayor

**CITY COUNCIL**

Gabe Griffith

Anthony Wedel

Charles Lance

Tracy Morgan

Jean Anderson

**CITY OFFICERS**

Marty Grill, Clerk

Tim Karstetter, Attorney

Mary Jane Lauer, Treasurer

Amie Bauer, Municipal Judge

John Betzer, Chief of Police

**CITY OF CANTON, KANSAS**  
**For the Year Ended December 31, 2011**

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SWINDOLL  
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Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Canton, Kansas 67428

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of Canton, Kansas, as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City's management. 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 Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the City of Canton, Kansas has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, as presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Canton, Kansas as of December 31, 2011, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

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 Canton, Kansas as of December 31, 2011, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the 2011 financial statement as a whole. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, schedule of cash receipts and expenditures-agency funds (Schedules 1, 2 and 3) as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2011 financial statement. Such information is the responsibility of management and the 2011 supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statement. The 2011 information has been subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statement or to the 2011 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 2011 financial statement as a whole.

The 2010 Actual columns presented in the individual fund schedules of cash receipts and expenditures-actual and budget (Schedules 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2010 financial statement upon which we rendered an unqualified opinion dated July 24, 2011. The 2010 financial statements and our accompany report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2010 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2010 financial statement. The 2010 comparative information was subjected to the auditing procedures applied in the audit of the 2010 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2010 financial statement or to the 2010 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2010 comparative information is fairly stated in all material respects in relation to the 2010 financial statement as a whole.

*Swindoll, Janzen, Hawk & Loyd, LLC*

Certified Public Accountants

July 24, 2012

## CITY OF CANTON, KANSAS

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**  
For the Year Ended December 31, 2011

	<u>Beginning Unencum- bered Cash Balance</u>	<u>Prior Year Cancelled Encumb- rances</u>	<u>Cash Receipts</u>	<u>Expendi- tures</u>	<u>Ending Un- encumbered Cash Balance</u>	<u>Add: Encum- brances and Accounts Payable</u>	<u>Ending Cash Balance</u>
GENERAL FUND	\$ 514,203	\$ -	\$ 427,978	\$ 450,843	\$ 491,338	\$ 7,445	\$ 498,783
SPECIAL REVENUE FUNDS:							
Special City/County Highway Fund	82,765	-	20,015	8,077	94,703	457	95,160
Special Park and Recreation Fund	4,103	-	1,832	4,541	1,394	16	1,410
Special Equipment Fund	51,396	-	12,500	6,383	57,513	-	57,513
Total Special Revenue Funds	<u>138,264</u>	<u>-</u>	<u>34,347</u>	<u>19,001</u>	<u>153,610</u>	<u>473</u>	<u>154,083</u>
ENTERPRISE FUNDS:							
Sewer Fund	124,784	-	80,043	74,052	130,775	1,629	132,404
Water Fund	162,341	-	203,905	186,543	179,703	5,116	184,819
Total Enterprise Funds	<u>287,125</u>	<u>-</u>	<u>283,948</u>	<u>260,595</u>	<u>310,478</u>	<u>6,745</u>	<u>317,223</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 939,592</u>	<u>\$ -</u>	<u>\$ 746,273</u>	<u>\$ 730,439</u>	<u>\$ 955,426</u>	<u>\$ 14,663</u>	<u>\$ 970,089</u>
COMPOSITION OF CASH:							
Petty Cash							\$ 100
Checking Account - State Bank of Canton							649,581
Money Market Account - Citizens State Bank							226,875
Certificates of Deposit - Citizens State Bank							<u>97,154</u>
Total Cash							973,710
Less Agency Funds per Statement 4							<u>(3,621)</u>
Total Reporting Entity (Excluding Agency Funds)							<u>\$ 970,089</u>

# CITY OF CANTON, KANSAS

## NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2011

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***(a) Reporting Entity***

The City of Canton is a municipal corporation governed by an elected mayor and elected five-member council. The financial statement present the City of Canton. The City does not have any component units.

#### ***(b) Basis of Presentation - Fund Accounting***

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for separately. Funds are classified into three categories: governmental, proprietary and fiduciary. Within each of these three categories there are one or more fund types. The City uses the following fund types:

##### **Governmental Fund Types**

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

**General Fund** - This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. This fund is charged with all costs of operating the government for which a separate fund has not been established.

**Special Revenue Funds** - These funds are established to account for the proceeds of specific revenue sources other than special assessments, private purpose trust or major capital projects that are legally restricted to expenditures for specified purposes.

**Capital Project Funds** - These funds account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary and Permanent Funds.

##### **Proprietary Fund Types**

These funds account for operations that are self-supporting through user charges. The funds included in this category are Enterprise Funds.

**Enterprise Funds** - These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

##### **Fiduciary Fund Types**

These funds account for assets held by the City as a trustee or agent for individuals, private organizations and other units of governments. These funds are as follows:

**Agency Funds** - These funds are used to account for assets received for, held for, and disbursed to individuals, other State and Local Government unit funds or other governmental or private sector organizations.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

### ***(c) Statutory Basis of Accounting***

The statutory basis of accounting, as used in the preparation of this statutory basis financial statement, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

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

### ***(d) Departure from Accounting Principles Generally Accepted in the United States of America***

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings and equipment owned by the City are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statement.

### ***(e) Budgetary Information***

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), Debt Service Funds and Enterprise 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 1.
2. Publication in local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for 2011.

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 statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### *(e) Budgetary Information (cont.)*

All legal annual operating budgets are prepared using the statutory 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 budget expenditure authority lapses at year end.

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

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### *Compliance with Kansas Statutes*

No statutory violations noted in 2011.

## 3. DEPOSITS AND INVESTMENTS

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

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

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City does not have investments at December 31, 2011.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2011.

At December 31, 2011, the City's carrying amount of deposits was \$973,610 and the bank balance was \$978,769. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and the remaining \$478,769 was collateralized with securities held by the pledging financial institutions' 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 to be adequately secured.

#### 4. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2011, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Kansas Water Pollution Control Revolving Loan	2.73%	7-27-04	\$ 288,228	3-1-26	\$ 234,011	\$ -	\$ 12,078	\$ (12,078)	\$ 221,933	\$ 6,884

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

	Year							Total
	2012	2013	2014	2015	2016	2017 to 2021	2022 to 2026	
<b>PRINCIPAL:</b>								
Kansas Water Pollution Control Revolving Loan	\$ 12,440	\$ 12,814	\$ 13,199	\$ 13,595	\$ 14,003	\$ 76,579	\$ 79,303	\$ 221,933
<b>INTEREST:</b>								
Kansas Water Pollution Control Revolving Loan	6,522	6,148	5,763	5,367	4,959	18,231	6,025	53,015
<b>TOTAL PRINCIPAL AND INTEREST</b>	<b>\$ 18,962</b>	<b>\$ 94,810</b>	<b>\$ 85,328</b>	<b>\$ 274,948</b>				

#### 5. PENSION COSTS AND EMPLOYEE BENEFITS

##### (a) Defined Benefit Pension Plan

**Plan Description.** The City contributes to the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* 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, KS 66603-3869) or by calling 1-888-275-5737.

**Funding Policy.** K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERs is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERs employers. The employer rate established for calendar year 2011 was 7.74%. (Included in this rate is the contribution for Group Death and Disability Insurance of 1.0% from April 1, 2011 through June 30, 2011). The City employer contributions to KPERs for the years ending December 31, 2011, 2010, and 2009 were \$9,330, \$7,480, and \$3,732, respectively, equal to the required contributions for each year as set forth by the legislature.

## 5. PENSION COSTS AND EMPLOYEE BENEFITS (CONT.)

### ***(b) Other Employee Benefits***

Vacation - Vacation leave if not taken shall not accrue from year to year. No vacation leave shall be taken until a new employee has completed one year of continuous service. Employees may use vacation leave in units of not less than one hour. Upon retirement, discharge, dismissal, or other circumstances of separation of an employee from his employment with the City, the City, in its discretion, may pay to such employee the value of any earned but unused vacation leave.

Each permanent full-time employee will accrue vacation leave as follows:

<u>Years of Service</u>	<u>Per Year</u>
After 1 year	40 working hours
After 2 years	80 working hours
After 6 years	120 working hours
After 15 years	160 working hours

Other employees shall not receive vacation leave.

Sick leave - All full-time employees and part-time employee who work at least 20 hours or more per week, shall be entitled to sick leave with pay for absences resulting from personal illness, injuries, accidents or other physical incapacities, occurring either on or off the job. Sick leave, if not taken, shall accrue to no more than 720 hours at the end of each year. All excess sick days not used by the end of the year will be forfeited. Upon termination, no employee will be compensated for unused sick leave.

Amount of sick leave - Eligible employees shall earn eight hours of sick leave for each full month of service. Other employees shall not have paid sick leave.

### ***(c) 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 retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

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

## 6. JOINTLY GOVERNED ORGANIZATION

### ***McPherson Area Solid Waste Utility***

The City along with McPherson County and seven other cities located within McPherson County entered into an interlocal agreement, authorized by State Statute, to form the McPherson Area Solid Waste Utility (the Utility) effective July 17, 1991. The purpose of the Utility is to assist its Members in planning, technical and financial matters for comprehensive solid waste management and accomplish the desired objectives of an effective county-wide solid waste management program, including the operation of a cooperative solid waste management program and the operation of a cooperative solid waste processing and disposal system for the benefit of its Members.

## 6. JOINTLY GOVERNED ORGANIZATION (CONT.)

### *McPherson Area Solid Waste Utility (cont.)*

Management of the Utility is carried out by an appointed three member Board of Directors. The City of McPherson appoints one member to the Board of Directors, McPherson County appoints a second Director and the third Director is appointed collectively by the other seven Members of the Utility.

The agreement and the Utility may be terminated by written consent of at least two-thirds of the Members, provided that prior to such termination all contractual obligations and indebtedness of the Utility have been paid in full or sufficient resources have been escrowed for the payment of such obligations in full when due. Upon such termination, the Board of Directors shall liquidate the Utility and distribute the assets in a manner that, in its discretion, it deems appropriate. Accordingly, any ongoing financial interest or access to the Utility's resources is indeterminable until such action is taken by its Board of Directors. In addition, no Member shall be permitted to withdraw for twenty years or such sooner time as provision is made for the payment or discharge of the debt incurred by the County or assumed by the Utility. Any withdrawing Member shall not be entitled to distribution of any real or personal property of the Utility by reason of its withdrawal.

The Board of Directors shall determine the methods of obtaining financing for the Utility. The County provided the initial financing for the acquisition of land to be used as a site for disposal of refuse, constructing structures and acquiring equipment necessary for the sanitary disposal of refuse in McPherson County. Effective January 1, 1992, the fiscal accounting and operations of the Utility were transferred from McPherson County to management of the Utility.

Condensed financial information of the McPherson Area Solid Waste Utility as of and for the year ended December 31, 2010 is as follows:

Total Assets	\$	11,943,616
Total Liabilities		5,183,909
Total Net Assets		6,759,707
Total Revenues		5,469,810
Total Expenses		4,999,267
Change in Net Assets		470,543

Complete financial statements for the McPherson Area Solid Waste Utility may be obtained from the administrative offices of the entity at 1431 17<sup>th</sup> Ave, McPherson, Kansas 67460.

## 7. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of July 24, 2012, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2010 to 2011 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material impact on the City.

## 8. INTERFUND TRANSFERS

A summary of operating transfers by fund are as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Special Equipment	K.S.A. 12-1, 117	\$ 7,500
Sewer	Special Equipment	K.S.A. 12-1, 117	2,500
Water	Special Equipment	K.S.A. 12-1, 117	<u>2,500</u>
Total			<u>\$ 12,500</u>

## 9. SUBSEQUENT EVENTS

Management has evaluated the effects of the financial statement of subsequent events occurring through July 24, 2012 which is the date at which the financial statement was available to be issued.

**CITY OF CANTON, KANSAS**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

## CITY OF CANTON, KANSAS

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**

(Budgeted Funds Only)

For the Year Ended December 31, 2011

	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Favorable (Unfavorable)</u>
GENERAL FUND	\$ 728,052	\$ -	\$ 728,052	\$ 450,843	\$ 277,209
SPECIAL REVENUE FUNDS:					
Special City/County Highway Fund	91,597	-	91,597	8,077	83,520
Special Park and Recreation Fund	10,027	-	10,027	4,541	5,486
Special Equipment Fund	<u>63,896</u>	<u>-</u>	<u>63,896</u>	<u>6,383</u>	<u>57,513</u>
Total Special Revenue Funds	<u>165,520</u>	<u>-</u>	<u>165,520</u>	<u>19,001</u>	<u>146,519</u>
ENTERPRISE FUNDS:					
Sewer Fund	192,682	-	192,682	74,052	118,630
Water Fund	<u>341,215</u>	<u>-</u>	<u>341,215</u>	<u>186,543</u>	<u>154,672</u>
Total Enterprise Funds	<u>533,897</u>	<u>-</u>	<u>533,897</u>	<u>260,595</u>	<u>273,302</u>

## CITY OF CANTON, KANSAS

GENERAL FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	<u>2011</u>			Variance - Favorable (Unfavorable)
	<u>2010 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes -				
Ad valorem property tax	\$ 160,229	\$ 158,283	\$ 171,568	\$ (13,285)
Back tax collections	6,034	10,815	1,500	9,315
Motor vehicle tax	28,190	27,601	27,800	(199)
Recreational vehicle tax	578	745	693	52
16/20M vehicle tax	486	489	471	18
Local sales tax	86,859	93,162	80,000	13,162
Sales tax for streets	54,299	56,759	46,000	10,759
Local alcoholic liquor tax	1,868	3,285	2,111	1,174
Fuel tax refund	-	489	-	489
Special assessments	1,522	1,128	-	1,128
Total Taxes	<u>340,065</u>	<u>352,756</u>	<u>330,143</u>	<u>22,613</u>
Licenses and Permits -				
Utility franchise taxes	31,428	29,468	25,000	4,468
City licenses and building permits	1,376	1,968	400	1,568
Total Licenses and Permits	<u>32,804</u>	<u>31,436</u>	<u>25,400</u>	<u>6,036</u>
Fines, Forfeitures and Penalties -				
Police fines	10,117	10,094	9,000	1,094
Use of Money and Property -				
Interest income	3,655	2,312	3,000	(688)
Other Income -				
Insurance dividend/claims	-	736	-	736
Economic development	1,080	1,147	1,300	(153)
Swimming pool receipts	4,712	5,957	6,000	(43)
Community center rent	2,305	2,010	1,200	810
Donations	24,804	-	-	-
Reimbursements	8,738	-	2,000	(2,000)
Sunflower foundation grant	-	14,514	-	14,514
Miscellaneous	5,926	7,016	2,000	5,016
Total Other Income	<u>47,565</u>	<u>31,380</u>	<u>12,500</u>	<u>18,880</u>
Total Cash Receipts	<u>434,206</u>	<u>427,978</u>	<u>\$ 380,043</u>	<u>\$ 47,935</u>

## CITY OF CANTON, KANSAS

GENERAL FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2011		Variance - Favorable (Unfavorable)
	2010 Actual	Actual	
Expenditures			
General Administration -			
Personal services	\$ 80,325	\$ 64,143	\$ 73,400 \$ 9,257
Contracted services	25,696	21,606	29,000 7,394
Commodities	50,318	54,186	70,000 15,814
Capital outlay	654	48,665	140,000 91,335
Community center	4,549	4,013	5,000 987
Health insurance	-	17,681	15,000 (2,681)
Transfer to Special Equipment Fund	7,500	7,500	7,500 -
Total General Administration	<u>169,042</u>	<u>217,794</u>	<u>339,900</u> <u>122,106</u>
Streets -			
Commodities	-	81	- (81)
Contracted services	64,346	108,403	213,171 104,768
Total Streets	<u>64,346</u>	<u>108,484</u>	<u>213,171</u> <u>104,687</u>
Police Department -			
Personal services	49,881	48,191	53,800 5,609
Uniforms	131	308	500 192
Training	230	177	500 323
Dues and subscriptions	50	-	100 100
Equipment maintenance	954	2,475	1,000 (1,475)
Fuel	1,839	2,358	4,500 2,142
Office supplies	939	735	500 (235)
Vehicle maintenance	15	2,847	1,500 (1,347)
Commodities	-	25	- (25)
Miscellaneous	-	93	- (93)
Phones	958	875	2,000 1,125
Utilities	506	959	1,215 256
Health insurance	-	6,625	6,200 (425)
Insurance	3,390	3,390	4,000 610
Total Police Department	<u>58,893</u>	<u>69,058</u>	<u>75,815</u> <u>6,757</u>
Fire Department -			
Contracted services	<u>3,593</u>	<u>3,626</u>	<u>3,626</u> -

CITY OF CANTON, KANSAS

GENERAL FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2011**  
**(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)**

	<u>2010 Actual</u>	<u>2011</u>		<u>Variance - Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Expenditures (cont.)				
McMurray Ball Park -				
Personal services	\$ 1,651	\$ 1,620	\$ -	\$ (1,620)
Contracted services	<u>2,607</u>	<u>780</u>	<u>2,000</u>	<u>1,220</u>
Total McMurray Ball Park	<u>4,258</u>	<u>2,400</u>	<u>2,000</u>	<u>(400)</u>
Hess Pool -				
Personal services	15,581	19,155	20,000	845
Commodities	<u>9,631</u>	<u>8,254</u>	<u>10,000</u>	<u>1,746</u>
Total Hess Pool	<u>25,212</u>	<u>27,409</u>	<u>30,000</u>	<u>2,591</u>
Street Repair/Sales Tax -				
Contractual services	<u>11,628</u>	<u>22,072</u>	<u>46,000</u>	<u>23,928</u>
Economic Development	<u>-</u>	<u>-</u>	<u>17,540</u>	<u>17,540</u>
Total Expenditures	<u>336,972</u>	<u>450,843</u>	<u>\$ 728,052</u>	<u>\$ 277,290</u>
Receipts Over (Under) Expenditures	97,234	(22,865)		
Unencumbered Cash, Beginning	<u>416,117</u>	<u>514,203</u>		
Adjustment to Unencumbered Cash for Prior Year Canceled Encumbrances	<u>852</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 514,203</u>	<u>\$ 491,338</u>		

CITY OF CANTON, KANSAS

SPECIAL REVENUE FUND

SPECIAL CITY/COUNTY HIGHWAY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	<u>2010 Actual</u>	<u>2011</u>		<u>Variance - Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State of Kansas - fuel tax	\$ 21,163	\$ 20,015	\$ <u>21,800</u>	\$ <u>(1,785)</u>
Expenditures				
Street maintenance	<u>7,325</u>	<u>8,077</u>	\$ <u>91,597</u>	\$ <u>83,520</u>
Receipts Over (Under) Expenditures	13,838	11,938		
Unencumbered Cash, Beginning	<u>68,927</u>	<u>82,765</u>		
Unencumbered Cash, Ending	\$ <u>82,765</u>	\$ <u>94,703</u>		

CITY OF CANTON, KANSAS

SPECIAL REVENUE FUNDS

SPECIAL PARK AND RECREATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local alcoholic liquor tax Chamber	\$ 1,868	\$ 1,131	\$ 2,111	\$ (980)
	-	701	-	701
Total Cash Receipts	<u>1,868</u>	<u>1,832</u>	<u>\$ 2,111</u>	<u>\$ (279)</u>
Expenditures				
Commodities	38	-	\$ -	\$ -
Capital outlay	-	2,025	-	(2,025)
Park improvement	<u>5,329</u>	<u>2,516</u>	<u>10,027</u>	<u>7,511</u>
Total Expenditures	<u>5,367</u>	<u>4,541</u>	<u>\$ 10,027</u>	<u>\$ 5,486</u>
Receipts Over (Under) Expenditures	(3,499)	(2,709)		
Unencumbered Cash, Beginning	<u>7,602</u>	<u>4,103</u>		
Unencumbered Cash, Ending	<u>\$ 4,103</u>	<u>\$ 1,394</u>		

CITY OF CANTON, KANSAS

SPECIAL REVENUE FUND

SPECIAL EQUIPMENT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Transfer from General Fund	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
Transfer from Sewer Fund	2,500	2,500	2,500	-
Transfer from Water Fund	2,500	2,500	2,500	-
Total Cash Receipts	<u>12,500</u>	<u>12,500</u>	<u>\$ 12,500</u>	<u>\$ -</u>
Expenditures				
Capital outlay	-	6,383	\$ 63,896	\$ 57,513
Receipts Over (Under) Expenditures	12,500	6,117		
Unencumbered Cash, Beginning	<u>38,896</u>	<u>51,396</u>		
Unencumbered Cash, Ending	<u>\$ 51,396</u>	<u>\$ 57,513</u>		

## CITY OF CANTON, KANSAS

ENTERPRISE FUNDSEWER FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Sewer collections	\$ 71,590	\$ 76,995	\$ 73,500	\$ 3,495
Interest income	579	383	-	383
Miscellaneous	-	2,665	-	2,665
Total Cash Receipts	<u>72,169</u>	<u>80,043</u>	<u>\$ 73,500</u>	<u>\$ 6,543</u>
Expenditures				
Personal services	38,335	22,476	\$ 26,800	\$ 4,324
Contractual services	8,070	10,988	6,000	(4,988)
Commodities	10,162	7,368	10,000	2,632
Capital outlay	-	1,478	119,820	118,342
Health insurance	-	10,280	8,600	(1,680)
Transfer to Special Equipment Fund	2,500	2,500	2,500	-
Revolving Loan Principal	11,726	12,078	12,078	-
Revolving Loan Interest	7,236	6,884	6,884	-
Total Expenditures	<u>78,029</u>	<u>74,052</u>	<u>\$ 192,682</u>	<u>\$ 118,630</u>
Receipts Over (Under) Expenditures	(5,860)	5,991		
Unencumbered Cash, Beginning	<u>130,644</u>	<u>124,784</u>		
Unencumbered Cash, Ending	<u>\$ 124,784</u>	<u>\$ 130,775</u>		

## CITY OF CANTON, KANSAS

ENTERPRISE FUNDWATER FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	2010 Actual	2011		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Water collections	\$ 128,145	\$ 148,418	\$ 121,000	\$ 27,418
Meter hookups/connection fees	2,385	2,620	2,000	620
Trash service fees	47,795	49,404	48,000	1,404
Sales tax	796	886	1,000	(114)
Interest	661	464	-	464
Miscellaneous	-	2,113	150	1,963
Total Cash Receipts	<u>179,782</u>	<u>203,905</u>	<u>\$ 172,150</u>	<u>\$ 31,755</u>
Expenditures				
Personal services	47,195	40,178	\$ 44,800	\$ 4,622
Contractual services	23,411	10,407	20,000	9,593
Trash hauling	38,951	45,041	43,000	(2,041)
Commodities	49,727	65,734	40,000	(25,734)
Capital outlay	5,276	8,850	178,915	170,065
Sales tax	796	675	1,000	325
Health insurance	-	13,158	11,000	(2,158)
Transfer to Special Equipment Fund	2,500	2,500	2,500	-
Total Expenditures	<u>167,856</u>	<u>186,543</u>	<u>\$ 341,215</u>	<u>\$ 154,672</u>
Receipts Over (Under) Expenditures	11,926	17,362		
Unencumbered Cash, Beginning	<u>150,415</u>	<u>162,341</u>		
Unencumbered Cash, Ending	<u>\$ 162,341</u>	<u>\$ 179,703</u>		

CITY OF CANTON, KANSAS

AGENCY FUND

SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS

For the Year Ended December 31, 2011

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Payroll Clearing Fund	\$ -	\$ 195,763	\$ 192,142	\$ 3,621