

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

**CITY OF DOWNS, KANSAS  
CITY OF THE THIRD CLASS  
For The Year Ended December 31, 2011**

Don Heiland, Mayor

**CITY COUNCIL**

Jennifer Brush

John Cary

David Draayer

David Hardy

Jerry Knouf

**CITY OFFICERS**

Vickie Oviatt, Clerk

Bruce Berkley, Attorney

Cynthia Shanley, Assistant Clerk

Floyd Harris, Treasurer

**CITY OF DOWNS, 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 Downs, Kansas 67437

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of Downs, 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.

The financial statements do not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for its component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that includes the financial statements. The City has not issued such reporting entity financial statements. The effect on the financial statements of the omission of the component units, although not reasonably determinable, is presumed to be material.

As described more fully in Note 1, the City of Downs 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 Downs 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 Downs 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, 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.

Swindoll, Janzen, Hawk & Loyd, LLC

Certified Public Accountants

June 20, 2012

## CITY OF DOWNS, 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 Canceled Encum- brances</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	\$ 104,514	\$ -	\$ 419,780	\$ 504,104	\$ 20,190	\$ 16,531	\$ 36,721
SPECIAL REVENUE FUNDS:							
Library Fund	-	-	22,555	22,555	-	-	-
Industrial Promotion Fund	-	-	4,513	4,513	-	-	-
Cemetery Care Fund	9,158	-	452	-	9,610	-	9,610
Special Highway Fund	28,497	-	23,397	40,061	11,833	2,075	13,908
Special Parks & Recreation Fund	1,642	-	4,604	585	5,661	-	5,661
Equipment Reserve Fund	45,316	-	-	478	44,838	-	44,838
Freda Collar Trust Fund	3,580	-	-	-	3,580	-	3,580
Sypulski Trust Fund	89,125	-	-	9,500	79,625	-	79,625
Memorial Hall Fund	561	-	800	-	1,361	-	1,361
Ambulance Fund	-	-	8,908	900	8,008	-	8,008
Truck Route Fund	-	-	5,477	997	4,480	-	4,480
Total Special Revenue Funds	177,879	-	70,706	79,589	168,996	2,075	171,071
DEBT SERVICE FUND:							
Bond and Interest Fund	42,442	-	111,196	106,921	46,717	-	46,717
PERMANENT FUND:							
Cemetery Endowment Fund	18,082	-	-	-	18,082	-	18,082
ENTERPRISE FUND:							
Water and Sewer Utility Fund	319,317	-	273,393	239,656	353,054	1,302	354,356
FIDUCIARY FUND:							
Marie Thomas Trust Fund	23,363	-	-	880	22,483	-	22,483
Total Primary Government	\$ 685,597	\$ -	\$ 875,075	\$ 931,150	\$ 629,522	\$ 19,908	\$ 649,430
COMPOSITION OF CASH:							
Petty Cash							\$ 500
Cash in Drawer							100
Checking Account - Downs National Bank							15,775
Money Market Accounts - Downs National Bank							329,354
Certificate of Deposit - Downs National Bank							3,067
Money Market Account - State Bank of Downs							205,015
Certificate of Deposit -State Bank of Downs							127,989
Total Cash							681,800
Less Agency Funds per Schedule 3							(32,370)
Total Primary Government							\$ 649,430

# CITY OF DOWNS, KANSAS

## NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2011

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The City of Downs is a municipal corporation governed by an elected mayor and an elected five-member council. The financial statement present the City of Downs, Kansas and do not include component units. The component unit of the City of Downs is as follows:

City Library. Downs City Library was created by city volunteers to provide reading opportunities to the citizens of the City of Downs. The Downs City Library Board has a 7 member board that is appointed by the City of Downs City Council.

#### ***(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 trusts or major capital projects that are legally restricted to expenditures for specified purposes.

**Debt Service Fund** - This fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds.

**Permanent Fund** - This fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs, that is, for the benefit of the City or its citizens.

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

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

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

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

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 Type**

This fund type accounts for assets held by the City as a trustee or agent for others and therefore cannot be used to support the City's own programs.

Private Purpose Trust Funds – These funds are used to report all trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

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.

### ***(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 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 charter ordinance 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 expense, 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.

These financial statements present the primary government of the City of Downs and do not include component units, which is a departure from generally accepted accounting principles.

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

### ***(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.

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.

A legal operating budget is not required for Agency Funds, Permanent and Fiduciary Funds, and the following Special Revenue Funds: Equipment Reserve Fund, Freda Collar Trust Fund, Sypulski Trust Fund, Memorial Hall Fund, Ambulance Fund and the Truck Route Fund.

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 \$681,700 and the bank balance was \$695,477. 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 \$195,477 was collateralized with securities held by the pledging financial institutions' agents in the City's name and irrevocable letters of credit.

*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:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
KDHE Public Water Supply Loan	3.69%	8/1/06	\$ 436,873	2/1/26	\$ 364,256	\$ -	\$ 17,790	\$ (17,790)	\$ 346,466	\$ 13,278
KDHE Water Pollution Control Loan	2.57%	3/1/09	1,189,333	9/1/28	1,087,598	-	48,209	(48,209)	1,039,389	27,644
Compensated Absences					<u>14,616</u>	<u>1,727</u>	<u>-</u>	<u>1,727</u>	<u>16,343</u>	<u>-</u>
Total Long-Term Debt					<u>\$ 1,466,470</u>	<u>\$ 1,727</u>	<u>\$ 65,999</u>	<u>\$ (64,272)</u>	<u>\$1,402,198</u>	<u>\$ 40,922</u>

#### 4. LONG-TERM DEBT (CONT.)

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	2027 to 2008	
<b>PRINCIPAL:</b>									
Kansas Public Water Supply Loan	\$ 18,453	\$ 19,140	\$ 19,853	\$ 20,591	\$ 21,359	\$ 119,333	\$ 127,737	\$ -	\$ 346,466
Kansas Water Pollution Control Loan	49,455	50,735	52,047	53,393	54,774	295,869	336,163	146,953	1,039,389
Total Principal	67,908	69,875	71,900	73,984	76,133	415,202	463,900	146,953	1,385,855
<b>INTEREST:</b>									
Kansas Public Water Supply Loan	12,616	11,929	11,216	10,477	9,710	36,009	12,070	-	104,027
Kansas Water Pollution Control Loan	26,397	25,117	23,805	22,459	21,078	83,391	43,097	4,751	250,095
Total Interest	39,013	37,046	35,021	32,936	30,788	119,400	55,167	4,751	354,122
<b>TOTAL PRINCIPAL AND INTEREST</b>	<b>\$ 106,921</b>	<b>\$ 106,921</b>	<b>\$ 106,921</b>	<b>\$ 106,920</b>	<b>\$ 106,921</b>	<b>\$ 534,602</b>	<b>\$ 519,067</b>	<b>\$ 151,704</b>	<b>\$ 1,739,977</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 is 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 contribution to KPERS for the year ending December 31, 2011, 2010 and 2009 was \$13,509, \$11,966 and \$10,754, respectively, equal to the required contributions for each year as set forth by the legislature.

##### (b) Other Employee Benefits

Vacation - Vacation leave shall be earned and accrued from the most recent day of employment, but no vacation leave shall be granted until an employee has gained permanent status. Vacation time is not available until the completion of the employee's first year of employment. Vacation shall be taken only during scheduled work days

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

***(b) Other Employee Benefits (Cont.)***

and must be used within the following year in which it was earned and shall not carry over if unused. Upon termination in good standing, an employee shall be

compensated for all accumulated unused vacation leave at their final rate of pay, subject to the maximum hours of accumulation.

Vacations will be allowed for full-time employees in the following manner:

<u>Years of Service</u>	<u>Per Year</u>
1 year of service	5 working days
2 plus years of service	10 ½ working days

Sick leave - All full-time permanent employees 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. Employees shall earn one day of sick leave per month of service. Sick leave may be accumulated up to a total of 120 days. Up to a maximum of 120 days will be paid to employees at a rate equal to the federal minimum wage if the employee leaves employment with the City in good standing.

***(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. CLAIMS AND JUDGMENTS**

The City desires to participate 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 June 20, 2012, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, 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 financial impact on the City.

## 7. 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>
Water and Sewer Utility	Bond and Interest	K.S.A. 12-825d	<u>\$ 54,000</u>

## 8. RELATED PARTY

A Council member is an officer of one of the financial institutions where the City has funds deposited. At December 31, 2011, funds deposited at this institution totaled \$333,004.

## 9. SUBSEQUENT EVENT

The January 12, 2012 minutes state that the City Council approved the purchase of a 1995 GMC fire truck in the amount of \$28,500 plus shipping, travel and inspection costs to be paid from the Equipment Reserve Fund.

Management has evaluated the effects of the financial statement of subsequent events occurring through June 20, 2012 which is the date at which the financial statement was available to be issued.

CITY OF DOWNS, KANSAS

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**

(Budgeted Funds Only)

For the Year Ended December 31, 2011

	<u>Certified Budget</u>	Adjustment for Qualifying Budget Credits	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Favorable (Unfavorable)</u>
GENERAL FUND	570,173	\$ -	\$ 570,173	\$ 504,104	\$ 66,069
SPECIAL REVENUE FUNDS:					
Library Fund	25,120	-	25,120	22,555	2,565
Employee Benefit Fund	8,109	-	8,109	-	8,109
Industrial Promotion Fund	5,608	-	5,608	4,513	1,095
Cemetery Care Fund	11,657	-	11,657	-	11,657
Special Highway Fund	57,515	-	57,515	40,061	17,454
Special Parks & Recreation Fund	7,472	-	7,472	585	6,887
DEBT SERVICE FUND:					
Bond and Interest Fund	159,920	-	159,921	106,921	53,000
ENTERPRISE FUND:					
Water and Sewer Utility Fund	606,187	-	606,187	239,656	366,531

## CITY OF DOWNS, KANSAS

GENERAL FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

	2011		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Taxes -			
Ad valorem property tax	\$ 194,750	\$ 193,618	\$ 1,132
Back tax collections	3,546	3,000	546
Motor vehicle tax	48,283	52,140	(3,857)
Recreational vehicle tax	739	669	70
16/20M vehicle tax	1,031	990	41
Intangibles tax	-	14,435	(14,435)
In lieu of tax	4,884	4,500	384
Highway connecting links	6,000	6,000	-
Local sales tax	39,250	45,000	(5,750)
Total Taxes	298,483	320,352	(21,869)
Licenses and Permits -			
Utility franchise taxes	65,402	83,000	(17,598)
Building permits	5,861	5,300	561
Dog tags	1,657	1,500	157
Total Licenses and Permits	72,920	89,800	(16,880)
Charges for Services -			
Rural fire contracts	7,550	3,100	4,450
Swimming pool	8,531	8,000	531
Total Charges for Services	16,081	11,100	4,981
Other -			
Fines	1,875	5,500	(3,625)
Reimbursements	2,376	-	2,376
Miscellaneous	3,128	500	2,628
Rents	8,562	8,400	162
Sale of cemetery lots	756	700	56
FEMA	2,423	-	2,423
Neighborhood revitalization	7,693	-	7,693
Interest income	5,483	23,000	(17,517)
Total Other	32,296	38,100	(5,804)
Total Cash Receipts	419,780	\$ 459,352	\$ (39,572)

## CITY OF DOWNS, KANSAS

GENERAL FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

	2011		Variance - Favorable (Unfavorable)
	Actual	Budget	
Expenditures			
General Administrative -			
Personal services	\$ 20,035	\$ 16,000	\$ (4,035)
Contractual services	81,649	56,000	(25,649)
Commodities	1,171	4,000	2,829
Total General Administrative	<u>102,855</u>	<u>76,000</u>	<u>(26,855)</u>
Police -			
Contractual services	<u>82,500</u>	<u>82,500</u>	<u>-</u>
Street -			
Personal services	40,056	34,000	(6,056)
Contractual services	11,678	40,000	28,322
Commodities	14,149	30,000	15,851
Total Street	<u>65,883</u>	<u>104,000</u>	<u>38,117</u>
Fire -			
Personal services	3,660	3,500	(160)
Contractual services	20,966	9,000	(11,966)
Commodities	11,804	16,000	4,196
Total Fire	<u>36,430</u>	<u>28,500</u>	<u>(7,930)</u>
Parks -			
Personal services	11,528	11,000	(528)
Contractual services	17,315	15,000	(2,315)
Commodities	5,383	6,600	1,217
Total Parks	<u>34,226</u>	<u>32,600</u>	<u>(1,626)</u>
Swimming pool -			
Personal services	20,296	23,000	2,704
Contractual services	10,982	9,600	(1,382)
Commodities	4,498	8,500	4,002
Total Swimming pool	<u>35,776</u>	<u>41,100</u>	<u>5,324</u>

CITY OF DOWNS, KANSAS

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2011

	2011		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cemetery			
Personal services	\$ 5,247	\$ -	\$ (5,247)
Contractual services	617	8,000	7,383
Commodities	7,035	2,600	(4,435)
Capital outlay	-	2,800	2,800
Total Cemetery	<u>12,899</u>	<u>13,400</u>	<u>501</u>
Memorial Hall			
Personal services	3,722	5,500	1,778
Contractual services	3,382	6,000	2,618
Commodities	2,517	9,000	6,483
Total Memorial Hall	<u>9,621</u>	<u>20,500</u>	<u>10,879</u>
Ambulance			
Personal services	<u>427</u>	<u>18,000</u>	<u>17,573</u>
Audit and budget	1,150	10,000	8,850
Utilities	57,156	60,000	2,844
Employee benefits	60,181	47,073	(13,108)
Transfer to Equipment Reserve Fund	-	25,000	25,000
Other	-	6,500	6,500
Library	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Expenditures	<u>504,104</u>	<u>\$ 570,173</u>	<u>\$ 66,069</u>
Receipts Over (Under) Expenditures	(84,324)		
Unencumbered Cash, Beginning	<u>104,514</u>		
Unencumbered Cash, Ending	<u>\$ 20,190</u>		

CITY OF DOWNS, KANSAS

SPECIAL REVENUE FUND

LIBRARY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

	<u>2011</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
Cash Receipts			
Ad valorem property tax	\$ 17,268	\$ 18,810	\$ (1,542)
Back tax collections	340	-	340
Motor vehicle tax	4,772	5,146	(374)
Recreational vehicle tax	73	66	7
16/20M vehicle tax	102	98	4
	<u>22,555</u>	<u>\$ 24,120</u>	<u>\$ (1,565)</u>
Total Cash Receipts			
Expenditures			
Appropriation to Library	<u>22,555</u>	<u>\$ 25,120</u>	<u>\$ 2,565</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	<u>\$ -</u>		

CITY OF DOWNS, KANSAS

SPECIAL REVENUE FUND

EMPLOYEE BENEFIT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

	<u>2011</u>		<b>Variance - Favorable (Unfavorable)</b>
	<u>Actual</u>	<u>Budget</u>	
Cash Receipts			
Delinquent tax	\$ -	\$ <u>2,000</u>	\$ <u>(2,000)</u>
Expenditures			
Social security & medicare	<u>-</u>	\$ <u>8,109</u>	\$ <u>8,109</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	\$ <u>-</u>		

CITY OF DOWNS, KANSAS

SPECIAL REVENUE FUND

INDUSTRIAL PROMOTION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

	2011		
	<u>Actual</u>	<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
Cash Receipts			
Ad valorem property tax	\$ 3,455	\$ 3,762	\$ (307)
Back tax collections	68	500	(432)
Motor vehicle tax	955	1,029	(74)
Recreational vehicle tax	15	13	2
16/20M vehicle tax	20	20	-
Total Cash Receipts	<u>4,513</u>	<u>\$ 5,324.00</u>	<u>\$ (811)</u>
Expenditures			
Payments to Downs Enterprise	<u>4,513</u>	<u>\$ 5,608</u>	<u>\$ 1,095</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	<u>\$ -</u>		

CITY OF DOWNS, KANSAS

SPECIAL REVENUE FUND

CEMETERY CARE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

	2011		
	<u>Actual</u>	<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
Cash Receipts			
Donations	\$ 265	\$ 1,000	\$ (735)
Interest on Idle funds	187	-	187
Total Cash Receipts	<u>452</u>	<u>\$ 1,000</u>	<u>\$ (548)</u>
Expenditures			
Contractual services	-	\$ 1,000	\$ 1,000
Commodities	-	1,000	1,000
Capital outlay	-	9,657	9,657
Total Expenditures	<u>-</u>	<u>\$ 11,657</u>	<u>\$ 11,657</u>
Receipts Over (Under) Expenditures	452		
Unencumbered Cash, Beginning	<u>9,158</u>		
Unencumbered Cash, Ending	<u>\$ 9,610</u>		

CITY OF DOWNS, KANSAS

SPECIAL REVENUE FUND

SPECIAL HIGHWAY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

	2011		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
State payments	\$ 23,382	\$ 24,480	\$ (1,098)
Reimbursements	15	-	15
Total Cash Receipts	<u>23,397</u>	<u>\$ 24,480</u>	<u>\$ (1,083)</u>
Expenditures			
Contractual services	9,258	\$ 15,000	\$ 5,742
Commodities	30,803	27,515	(3,288)
Capital outlay	-	15,000	15,000
Total Expenditures	<u>40,061</u>	<u>\$ 57,515</u>	<u>\$ 17,454</u>
Receipts Over (Under) Expenditures	(16,664)		
Unencumbered Cash, Beginning	<u>28,497</u>		
Unencumbered Cash, Ending	<u>\$ 11,833</u>		

**CITY OF DOWNS, KANSAS**

**SPECIAL REVENUE FUND**

**SPECIAL PARKS & RECREATION FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**For the Year Ended December 31, 2011**

	<b>2011</b>		<b>Variance - Favorable (Unfavorable)</b>
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	
Cash Receipts			
Grain sales	\$ 4,604	\$ 3,000	\$ 1,604
Donations	-	500	(500)
	<u>4,604</u>	<u>\$ 3,500</u>	<u>\$ 1,104</u>
Total Cash Receipts			
Expenditures			
Commodities	585	\$ 7,472	\$ 6,887
Receipts Over (Under) Expenditures	4,019		
Unencumbered Cash, Beginning	<u>1,642</u>		
Unencumbered Cash, Ending	<u>\$ 5,661</u>		

CITY OF DOWNS, KANSAS

SPECIAL REVENUE FUND

EQUIPMENT RESERVE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

	<u>2011</u>
	<u>Actual</u>
Cash Receipts	
Grants and donations	\$ -
Transfer from General Fund	<u>-</u>
Total Cash Receipts	<u>-</u>
Expenditures	
Capital outlay	<u>478</u>
Receipts Over (Under) Expenditures	(478)
Unencumbered Cash, Beginning	<u>45,316</u>
Unencumbered Cash, Ending	<u>\$ 44,838</u>

CITY OF DOWNS, KANSAS

SPECIAL REVENUE FUND

FREDA COLLAR TRUST FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

	<u>2011</u>
	<u>Actual</u>
Cash Receipts	\$ -
Expenditures	<u>-</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	<u>3,580</u>
Unencumbered Cash, Ending	<u>\$ 3,580</u>

CITY OF DOWNS, KANSAS

SPECIAL REVENUE FUND

SYPULSKI TRUST FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

	<u>2011</u>
	<u>Actual</u>
Cash Receipts	\$ -
Expenditures	
Capital outlay	<u>9,500</u>
Receipts Over (Under) Expenditures	(9,500)
Unencumbered Cash, Beginning	<u>89,125</u>
Unencumbered Cash, Ending	<u>\$ 79,625</u>

CITY OF DOWNS, KANSAS

SPECIAL REVENUE FUND

MEMORIAL HALL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

	<u>2011</u>
	<u>Actual</u>
Cash Receipts	
Donations	\$ 800
Expenditures	<u>-</u>
Receipts Over (Under) Expenditures	800
Unencumbered Cash, Beginning	<u>561</u>
Unencumbered Cash, Ending	<u>\$ 1,361</u>

CITY OF DOWNS, KANSAS

SPECIAL REVENUE FUND

AMBULANCE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

	<u>2011</u>
	<u>Actual</u>
Cash Receipts	\$ 8,908
Expenditures	
Capital outlay	<u>900</u>
Receipts Over (Under) Expenditures	8,008
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 8,008</u>

CITY OF DOWNS, KANSAS

SPECIAL REVENUE FUND

TRUCK ROUTE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

	<u>2011</u>
	<u>Actual</u>
Cash Receipts	
Kansas Department of Transportation grant	\$ 5,477
Expenditures	
Construction	<u>997</u>
Receipts Over (Under) Expenditures	4,480
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 4,480</u>

## CITY OF DOWNS, KANSAS

DEBT SERVICE FUNDBOND AND INTEREST FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

	2011		
	Actual	Budget	Variance - Favorable (Unfavorable)
Cash Receipts			
Ad valorem property tax	\$ 43,151	\$ 47,010	\$ (3,859)
Back tax collections	832	500	332
Motor vehicle tax	12,740	13,679	(939)
Recreational vehicle tax	195	176	19
16/20M vehicle tax	278	260	18
Transfer from Water and Sewer Utility Fund	54,000	54,000	-
Total Cash Receipts	<u>111,196</u>	<u>\$ 115,625</u>	<u>\$ (4,429)</u>
Expenditures			
Cash basis reserve	-	\$ 53,000	\$ 53,000
Water loan - principal payment	17,790	17,790	-
Water loan - interest payment	13,278	13,278	-
Sewer loan - principal payment	48,209	48,209	-
Sewer loan - interest payment	27,644	27,644	-
Total Expenditures	<u>106,921</u>	<u>\$ 159,921</u>	<u>\$ 53,000</u>
Receipts Over (Under) Expenditures	4,275		
Unencumbered Cash, Beginning	<u>42,442</u>		
Unencumbered Cash, Ending	<u>\$ 46,717</u>		

CITY OF DOWNS, KANSAS

PERMANENT FUND

CEMETERY ENDOWMENT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

	<u>2011</u>
	<u>Actual</u>
Cash Receipts	\$ -
Expenditures	<u>-</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	<u>18,082</u>
Unencumbered Cash, Ending	<u>\$ 18,082</u>

## CITY OF DOWNS, KANSAS

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

For the Year Ended December 31, 2011

	2011		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Water charges	\$ 269,727	\$ 290,000	\$ (20,273)
Connection fees	550	1,000	(450)
Reimbursements	1,559	-	1,559
Miscellaneous	1,557	-	1,557
Total Cash Receipts	<u>273,393</u>	<u>\$ 291,000</u>	<u>\$ (17,607)</u>
Expenditures			
Water Production			
Personal services	39,150	\$ 38,000	\$ (1,150)
Contractual services	12,570	50,000	37,430
Commodities	63,992	45,000	(18,992)
Capital outlay	-	96,100	96,100
Sewer			
Personal services	9,962	14,000	4,038
Contractual services	17,697	40,000	22,303
Commodities	2,759	10,000	7,241
Capital outlay	-	32,000	32,000
General & Administrative			
Personal services	19,422	20,000	578
Contractual services	14,427	17,000	2,573
Commodities	727	4,000	3,273
Capital outlay	-	176,087	176,087
Other Expenditures			
Sales tax	2,303	5,000	2,697
Water protection fee	2,647	5,000	2,353
Transfer to Bond and Interest	54,000	54,000	-
Total Expenditures	<u>239,656</u>	<u>\$ 606,187</u>	<u>\$ 366,531</u>
Receipts Over (Under) Expenditures	33,737		
Unencumbered Cash, Beginning	<u>319,317</u>		
Unencumbered Cash, Ending	<u>\$ 353,054</u>		

CITY OF DOWNS, KANSAS

FIDUCIARY FUND

MARIE THOMAS TRUST FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended December 31, 2011

	<u>2011</u>
	<u>Actual</u>
Cash Receipts	\$ -
Expenditures	
Contractual services	<u>880</u>
Receipts Over (Under) Expenditures	(880)
Unencumbered Cash, Beginning	<u>23,363</u>
Unencumbered Cash, Ending	<u>\$ 22,483</u>

CITY OF DOWNS, KANSAS

AGENCY FUNDS

SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS

For the Year Ended December 31, 2011

<u>Funds</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Water Meter Deposit Fund	\$ 25,065	\$ 5,300	\$ 3,995	\$ 26,370
Housing Authority Payroll Clearing Fund	<u>6,000</u>	<u>45,346</u>	<u>45,346</u>	<u>6,000</u>
Total	<u>\$ 31,065</u>	<u>\$ 50,646</u>	<u>\$ 49,341</u>	<u>\$ 32,370</u>