

CITY OF SCAMMON, KANSAS

Statutory Basis Financial Statement
and Independent Auditors' Report
with Supplemental Information

For the Year Ended December 31, 2011

CITY OF SCAMMON, KANSAS
For the Year Ended December 31, 2011

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Scammon, Kansas

We have audited the accompanying financial statement of the City of Scammon, Kansas, as of and for the year ended December 31, 2011, as listed in the table of contents. This financial statement is the responsibility of the City of Scammon, Kansas' management. Our responsibility is to express an opinion on this financial statement based on our audit. The prior year summarized comparative information has been derived from the City's 2010 financial statement and, in our report dated July 5, 2011, we expressed an unqualified opinion on the financial statement of the City of Scammon, Kansas, prepared in accordance with the statutory basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the guidance in the *Kansas Municipal Audit Guide*. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the statutory basis financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statutory basis 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 has prepared this financial statement in conformity with the 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 effect on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, the financial statement referred above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Cherokee, 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 financial statement. The summary of expenditures-actual and budget, and the individual fund schedules of cash receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the statutory financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 financial statement as a whole.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

June 28, 2012
Chanute, Kansas

CITY OF SCAMMON, KANSAS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended December 31, 2011

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	December 31,	
						2011 Cash Balances	2010 Cash Balances
Governmental Type Funds:							
General Fund	\$ 73,066.18	\$ 161,031.70	\$ 144,437.74	\$ 89,660.14	\$ 5,813.54	\$ 95,473.68	\$ 80,592.70
Special Revenue Funds:							
Equipment Reserve	398.50	-	-	398.50	-	398.50	398.50
Special Highway	149,231.34	12,330.89	-	161,562.23	-	161,562.23	149,231.34
Cemetery	3,531.82	792.96	-	4,324.78	-	4,324.78	3,531.82
Special Parks and Recreation	3,696.03	1,016.49	835.60	3,876.92	57.25	3,934.17	3,749.36
Debt Service Fund:							
Bond and Interest	383.72	564.12	-	947.84	-	947.84	383.72
Enterprise Funds:							
Water Utility	114,901.35	84,572.17	64,889.16	134,584.36	1,151.66	135,736.02	116,767.87
Sewer Utility	68,846.63	37,199.45	44,679.41	61,366.67	466.98	61,833.65	69,631.04
Water and Sewer Principal and Interest	17,927.75	15,000.00	11,475.00	21,452.75	-	21,452.75	17,927.75
Water and Sewer Utility Reserve	35,980.95	1,394.82	-	37,375.77	-	37,375.77	35,980.95
Total Reporting Entity	\$ 467,964.27	\$ 313,902.60	\$ 266,316.91	\$ 515,549.96	\$ 7,489.43	\$ 523,039.39	\$ 478,195.05

Composition of Cash:

Petty Cash	\$ 250.00	\$ 250.00
Checking Account - Exchange State Bank	201,713.17	159,619.45
Savings - Exchange State Bank	47,722.89	46,328.07
Investments		
Certificate of Deposits - American Bank	273,353.33	271,997.53
Total Cash and Investments	\$ 523,039.39	\$ 478,195.05

The notes to the financial statement are
an integral part of this statement.

CITY OF SCAMMON, KANSAS

Notes to the Financial Statement
December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Scammon, Kansas, has been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from accounting policies generally accepted in the United States of America.

Reporting Entity

The City of Scammon, Kansas, is a municipal corporation governed by an elected seven-member council. This financial statement presents the City of Scammon (the primary government). The City has developed criteria to determine whether outside agencies with activities which benefit the residents of the City should be included within its financial reporting entity. The criteria include, but are not limited to, whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope the public service, and significant operational or financial relationships with the City.

The City has determined that no outside agency meets the above criteria and, therefore, no outside agency has been included as a component unit in this financial statement.

Basis of Presentation - Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the City of Scammon, Kansas, for the year of 2011.

GOVERNMENTAL FUNDS

General Fund -- to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds -- to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

Debt Service Funds -- to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments which are general obligations of the City of Scammon, Kansas.

Capital Project Funds -- to account for capital improvements (except for those financed by proprietary funds) which are financed from the City's general obligation bond issues, special assessments, certain federal grants and other specific receipts.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

PROPRIETARY FUNDS

Enterprise Funds -- to account for operations that are financed and operated in a manner similar to private business enterprises -- where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user chargers -- or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Presentation – Statutory Basis of Accounting

The statutory basis of accounting, as used in preparation of this statutory basis financial statement and schedules, 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 the 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.

Departures 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 the 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.

Cash and Investments

Cash and investments include Super NOW checking accounts, savings accounts, and certificates of deposit. Kansas statutes permit investment in savings accounts, certificates of deposit and, in certain cases, obligations of the U.S. Treasury.

Pension Plan

The City had one employee participating in the State of Kansas Public Employees Retirement System, which is a multi-employer, state wide pension plan. The City's policy is to fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State of Kansas.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statement and budget comparisons presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure, which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statement and schedules in order to provide an understanding of changes in the City's financial position and operations. However, complete comparative data in each of the schedules and statement has not been presented since their inclusion would make the schedules and statement unduly complex and difficult to read.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 the following timetable in the adoption of the legal 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 this year.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Budgetary Information (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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 budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds and the following special revenue funds: Equipment Reserve Fund, and Capital Improvement Fund. In addition, an operating budget is not required for enterprise principal and interest funds and enterprise reserve funds.

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.

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

Revenue Bond Requirements

The City is required, under ordinance on the Water and Sewer System Utility Revenue Bonds, to maintain in its Enterprise Fund certain restricted accounts. The ordinances provide that the following reserve accounts be set up in amounts as described below:

<u>RESERVE ACCOUNT</u>	<u>REQUIRED AMOUNT</u>	<u>ACTUAL AMOUNT</u>
Waterworks and Sewer Utility System Principal and Interest Account – Requires transfers monthly of 1/6 of next maturing interest, beginning May 1, 1980, and 1/12 of next maturing principal, beginning May 1, 1983.	\$ 6,050.00	\$ 21,452.75
Waterworks and Sewer Utility System Reserve Account – Requires monthly Transfers of \$100.00 per month beginning May 1, 1980 until a maximum of \$12,000.00 is reached.	<u>12,000.00</u>	<u>37,375.77</u>
Total Reserves at December 31, 2011	<u>\$ 18,050.00</u>	<u>\$ 58,828.52</u>

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Revenue Bond Requirements (Continued)

The City agrees to fix, establish, maintain and collect such rates, fees or charges for water and sewer service furnished by or through the Water and Sewer Utility System which will be sufficient to enable the City to have, in each fiscal year, a net income in an amount that will be not less than 125% of the amount required to be paid by the City in the next succeeding fiscal year on account of both principal and interest of all water and sewer system bonds of the City at the time outstanding. Net income is defined as gross income less operating expenses but before any transfers, depreciation and capital expense.

As of December 31, 2011, the City's Water and Sewer Utility System was serving 217 customers. For the year ended December 31, 2011, the Water and Sewer Utility Funds had a combined net operating profit of \$36,013.63, which does meet the 125% income of the principal and interest requirements for 2012 of \$15,125.00.

Compliance with Kansas Statutes

Statement 1 and Schedule 1 has been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1 and Schedule 1, the City was in apparent compliance with Kansas cash basis and budget laws.

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 branch 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 bank 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.

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 year-end, the carrying amount of the City's deposits was \$523,039.39 and the bank balance was \$532,691.27. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000.00 was covered by FDIC insurance and \$32,691.27 was collateralized with securities held by the pledging financial institution's agents in the City's name.

4. LONG-TERM LIABILITIES

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	Balance End of Year	Interest Paid
Revenue Bonds									
Paid By Utility Revenues:									
Water and Sewer Utility, Series 1980	5.00%	1980	\$ 190,000.00	2020	\$ 93,000.00	\$ -	\$ 7,000.00	\$ 86,000.00	\$ 4,475.00
Revolving Loans									
Paid By Utility Revenues:									
Kansas Public Water Supply Loan	3.35%	2007	110,284.00	2029	77,603.56	-	5,052.83	72,550.73	2,557.75
Total Contractual Indebtedness					<u>\$ 170,603.56</u>	<u>\$ -</u>	<u>\$ 12,052.83</u>	<u>\$ 158,550.73</u>	<u>\$ 7,032.75</u>

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

Issue	2012	2013	2014	2015	2016	2017-2021	2022-2026	2027-2029	Less: Proceeds not Drawn Down	Total
Principal										
Revenue Bonds										
Paid By Utility Revenues:										
Water and Sewer Utility, Series 1980	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 9,000.00	\$ 9,000.00	\$ 44,000.00	\$ -	\$ -	\$ -	\$ 86,000.00
Revolving Loans										
Paid By Utility Revenues:										
Kansas Public Water Supply Loan	4,290.86	4,435.80	4,585.65	4,740.55	4,900.70	27,101.41	31,998.79	15,865.16	(25,368.19)	72,550.73
Total Principal Payments	12,290.86	12,435.80	12,585.65	13,740.55	13,900.70	71,101.41	31,998.79	15,865.16	(25,368.19)	158,550.73
Interest										
Revenue Bonds										
Paid By Utility Revenues:										
Water and Sewer Utility, Series 1980	4,100.00	3,700.00	3,300.00	2,875.00	2,425.00	4,550.00	-	-	-	20,950.00
Revolving Loans										
Paid By Utility Revenues:										
Kansas Public Water Supply Loan	3,459.93	3,319.72	3,174.78	3,024.93	2,870.03	11,837.07	6,097.80	4,942.26	-	38,726.52
Total Interest Payments	7,559.93	7,019.72	6,474.78	5,899.93	5,295.03	16,387.07	6,097.80	4,942.26	-	59,676.52
Total Principal and Interest	\$ 19,850.79	\$ 19,455.52	\$ 19,060.43	\$ 19,640.48	\$ 19,195.73	\$ 87,488.48	\$ 38,096.59	\$ 20,807.42	\$ (25,368.19)	\$ 218,227.25

5. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Scammon participates in 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 Avenue, 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% and 6% 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 employer contribution rates. The employer rate established for 2011 was 7.74%. The City of Scammon employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009 were \$3,457.08, \$2,934.12, and \$2,770.04, respectively, equal to the required contributions for each year.

6. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions, injuries to employees; employees health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

7. COMPENSATED ABSENCES

Eligible employees earn and accumulate vacation leave as follows:

- After One Full Year of Employment – 5 Days
- After Five Full Years of Employment – 10 Days
- After Ten Full Years of Employment – 15 Days
- After Twenty Full Years of Employment – 20 Days

Vacation days cannot be carried over if not used during the year earned and can be paid in lieu of time off.

Eligible employees earn and accumulate sick leave from the beginning of employment at the rate of one day for every full month of service. Sick leave may be accumulated to a maximum of 60 days, and is not paid if not used while the employee is employed or upon termination of employment.

7. COMPENSATED ABSENCES (Continued)

The City accrues a liability for compensated absences which meet the following criteria:

- (1) The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- (2) The obligation relates to rights that vest or accumulate.
- (3) Payment of the compensation is probable.
- (4) The amount can be reasonably estimated and is material.

In accordance with the above criteria, the City has not accrued a liability for vacation pay as all vacation pay had been paid out as of December 31, 2011. The City has not accrued a liability for sick pay, which has been earned, but not taken by City employees, inasmuch as the amount cannot be reasonably estimated.

8. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Water Utility	Water & Sewer Principal & Interest	K.S.A. 12-825d	\$ 7,500.00
Sewer Utility	Water & Sewer Principal & Interest	K.S.A. 12-825d	7,500.00
Water Utility	Water & Sewer Utility Reserve	K.S.A. 12-825d	600.00
Sewer Utility	Water & Sewer Utility Reserve	K.S.A. 12-825d	600.00

9. CONTINGENCIES

During 2009, the City signed an agreement with a contractor to drill a water well. The well was completed in 2010. Due to delays in completion and other contract specifics, the contractor and the city did not agree on the final payment amount. The contractor refused to accept payment and final payment remains unpaid. As of December 31, 2011, the city considers the amount the contractor could claim, should they pursue the claim, to be approximately \$20,000.00.

10. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statement. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTAL INFORMATION

CITY OF SCAMMON, KANSAS

Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 For the Year Ended December 31, 2011

Funds	Certified Budget	Expenditures Charged to Current Year Budget	Variance - Over (Under)
Governmental Type Funds:			
General Fund	\$ 245,285.00	\$ 144,437.74	\$ (100,847.26)
Special Revenue Funds:			
Special Highway	161,827.00	-	(161,827.00)
Cemetery	4,270.00	-	(4,270.00)
Special Parks and Recreation	4,880.00	835.60	(4,044.40)
Debt Service Fund:			
Bond and Interest	750.00	-	(750.00)
Enterprise Funds:			
Water Utility	202,121.00	64,889.16	(137,231.84)
Sewer Utility	109,237.00	44,679.41	(64,557.59)

See accompanying independent auditors' report

CITY OF SCAMMON, KANSAS
GENERAL FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	\$ 39,346.15	\$ 39,951.33	\$ 41,369.00	\$ (1,417.67)
Delinquent Tax	2,069.73	1,347.81	721.00	626.81
Motor Vehicle Tax	9,798.40	9,449.13	8,133.00	1,316.13
Recreational Vehicle Tax	110.53	113.36	117.00	(3.64)
16/20M Vehicle Tax	140.71	129.68	125.00	4.68
Sales Tax	43,297.64	45,911.22	47,000.00	(1,088.78)
Franchise Tax	14,061.80	13,946.00	13,360.00	586.00
Alcoholic Liquor Tax	872.30	1,016.52	931.00	85.52
Intergovernmental				
Federal Grants-FEMA	44,009.25	3,418.74	-	3,418.74
State Grants-FEMA	6,397.47	40.64	-	40.64
Licenses and Fees	315.00	185.00	300.00	(115.00)
Fines	787.00	465.00	-	465.00
Fire	2,000.00	2,000.00	-	2,000.00
Charges for Services	13.94	37.34	200.00	(162.66)
Use of Money and Property				
Interest Income	1,675.68	1,393.94	1,760.00	(366.06)
Rentals	3,000.00	3,000.00	3,000.00	-
Sale of Assets	300.00	-	-	-
Other Revenues				
Miscellaneous	947.14	503.69	125.00	378.69
Trash Fees	25,165.49	34,892.69	26,500.00	8,392.69
Reimbursed Expense	2,337.00	3,229.61	-	3,229.61
Operating Transfers from Bond and Interest Fund	-	-	750.00	(750.00)
Total Cash Receipts	196,645.23	161,031.70	\$ 144,391.00	\$ 16,640.70
Expenditures and Transfers				
Subject to Budget				
Administration				
Personal Services	20,880.73	24,504.93	\$ 25,000.00	\$ (495.07)
Contractual Services	31,018.49	30,597.50	45,000.00	(14,402.50)
Commodities	3,210.46	4,461.68	6,000.00	(1,538.32)
Capital Outlay	10,864.31	-	510.00	(510.00)
Street Lights				
Contractual Services	7,323.86	8,098.05	8,500.00	(401.95)

See accompanying independent auditors' report

CITY OF SCAMMON, KANSAS
GENERAL FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures and Transfers Subject to Budget (Continued)				
Fire Department				
Personal Services	\$ 480.59	\$ 1,953.53	\$ 2,000.00	\$ (46.47)
Contractual Services	4,192.08	2,851.45	5,500.00	(2,648.55)
Commodities	601.60	2,038.76	3,000.00	(961.24)
Capital Outlay	-	-	2,500.00	(2,500.00)
Street Department				
Personal Services	6,282.81	3,778.74	15,000.00	(11,221.26)
Contractual Services	553.80	605.76	6,500.00	(5,894.24)
Commodities	4,694.17	3,250.83	6,000.00	(2,749.17)
Capital Outlay	-	-	3,000.00	(3,000.00)
Police				
Personal Services	12,577.15	9,979.84	15,000.00	(5,020.16)
Contractual Services	937.62	329.94	2,000.00	(1,670.06)
Commodities	2,505.69	1,244.51	3,500.00	(2,255.49)
Capital Outlay	1,800.00	-	-	-
Sanitation Department				
Contractual Services	30,716.67	35,256.00	28,000.00	7,256.00
Commodities	3,441.37	3,300.00	4,275.00	(975.00)
Pool Department				
Personal Services	3,562.80	2,325.69	4,000.00	(1,674.31)
Contractual Services	1,217.94	1,849.15	2,000.00	(150.85)
Commodities	25,140.13	8,011.38	10,000.00	(1,988.62)
Capital Outlay	83,946.00	-	36,500.00	(36,500.00)
Demolition Department				
Contractual Services	-	-	9,000.00	(9,000.00)
Operating Transfers to Equipment Reserve Fund	-	-	2,500.00	(2,500.00)
Total Expenditures and Transfers Subject to Budget	<u>255,948.27</u>	<u>144,437.74</u>	<u>\$ 245,285.00</u>	<u>\$ (100,847.26)</u>
Receipts Over(Under) Expenditures	(59,303.04)	16,593.96		
Unencumbered Cash, Beginning	<u>132,369.22</u>	<u>73,066.18</u>		
Unencumbered Cash, Ending	<u>\$ 73,066.18</u>	<u>\$ 89,660.14</u>		

See accompanying independent auditors' report

CITY OF SCAMMON, KANSAS
EQUIPMENT RESERVE FUND

Schedule of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfer From General Fund	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures and Transfers		
Improvements Capital Outlay	-	-
Total Expenditures and Transfers	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	398.50	398.50
Unencumbered Cash, Ending	\$ 398.50	\$ 398.50

See accompanying independent auditors' report

CITY OF SCAMMON, KANSAS
SPECIAL HIGHWAY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental				
Special Highway Fuel Tax	\$ 12,434.91	\$ 12,330.89	\$ 12,800.00	\$ (469.11)
Total Cash Receipts	<u>12,434.91</u>	<u>12,330.89</u>	<u>\$ 12,800.00</u>	<u>\$ (469.11)</u>
Expenditures and Transfers				
Subject to Budget				
Streets and Highways				
Personal Services	-	-	\$ 25,000.00	\$ (25,000.00)
Commodities	-	-	136,827.00	(136,827.00)
Total Expenditures and Transfers				
Subject to Budget	<u>-</u>	<u>-</u>	<u>\$ 161,827.00</u>	<u>\$ (161,827.00)</u>
Receipts Over(Under) Expenditures	12,434.91	12,330.89		
Unencumbered Cash, Beginning	<u>136,796.43</u>	<u>149,231.34</u>		
Unencumbered Cash, Ending	<u>\$ 149,231.34</u>	<u>\$ 161,562.23</u>		

See accompanying independent auditors' report

CITY OF SCAMMON, KANSAS
CEMETERY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	\$ 649.38	\$ 609.72	\$ 645.00	\$ (35.28)
Delinquent Tax	36.52	22.87	30.00	(7.13)
Motor Vehicle Tax	159.13	156.35	135.00	21.35
Recreational Vehicle Tax	1.82	1.87	2.00	(0.13)
16/20M Vehicle Tax	2.20	2.15	2.00	0.15
Total Cash Receipts	849.05	792.96	\$ 814.00	\$ (21.04)
Expenditures and Transfers				
Subject to Budget				
Appropriation to Cemetery Board	800.00	-	\$ 4,270.00	\$ (4,270.00)
Total Expenditures and Transfers Subject to Budget	800.00	-	\$ 4,270.00	\$ (4,270.00)
Receipts Over(Under) Expenditures	49.05	792.96		
Unencumbered Cash, Beginning	3,482.77	3,531.82		
Unencumbered Cash, Ending	<u>\$ 3,531.82</u>	<u>\$ 4,324.78</u>		

See accompanying independent auditors' report

CITY OF SCAMMON, KANSAS
SPECIAL PARKS AND RECREATION FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Alcoholic Liquor Tax	\$ 872.30	\$ 1,016.49	\$ 931.00	\$ 85.49
Total Cash Receipts	<u>872.30</u>	<u>1,016.49</u>	<u>\$ 931.00</u>	<u>\$ 85.49</u>
Expenditures and Transfers				
Subject to Budget				
Culture and Recreation				
Personal Services	-	219.54	\$ 300.00	\$ (80.46)
Contractual Services	459.01	592.12	2,500.00	(1,907.88)
Commodities	145.53	23.94	2,080.00	(2,056.06)
Total Expenditures and Transfers				
Subject to Budget	<u>604.54</u>	<u>835.60</u>	<u>\$ 4,880.00</u>	<u>\$ (4,044.40)</u>
Receipts Over(Under) Expenditures	267.76	180.89		
Unencumbered Cash, Beginning	<u>3,428.27</u>	<u>3,696.03</u>		
Unencumbered Cash, Ending	<u>\$ 3,696.03</u>	<u>\$ 3,876.92</u>		

See accompanying independent auditors' report

CITY OF SCAMMON, KANSAS
WATER WELL PROJECT FUND

Schedule of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental		
CDBG Funds	\$ 13,337.00	\$ -
Use of Money and Property		
Loan Proceeds	-	-
Total Cash Receipts	<u>13,337.00</u>	<u>-</u>
Expenditures and Transfers		
General Government		
Capital Outlay	<u>10,368.16</u>	<u>-</u>
Total Expenditures and Transfers	<u>10,368.16</u>	<u>-</u>
Receipts Over(Under) Expenditures	2,968.84	-
Unencumbered Cash, Beginning	(22,896.94)	-
Prior Year Cancelled Encumbrances	<u>19,928.10</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report

CITY OF SCAMMON, KANSAS
BOND AND INTEREST FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	\$ 1,851.75	\$ (5.08)	\$ -	\$ (5.08)
Delinquent Tax	171.68	88.04	125.00	(36.96)
Motor Vehicle Tax	582.64	468.42	384.00	84.42
Recreational Vehicle Tax	6.44	6.61	6.00	0.61
16/20M Vehicle Tax	8.86	6.13	6.00	0.13
		-		
Total Cash Receipts	<u>2,621.37</u>	<u>564.12</u>	<u>\$ 521.00</u>	<u>\$ 43.12</u>
Expenditures and Transfers				
Subject to Budget				
Debt Service				
Principal	4,000.00	-	\$ -	\$ -
Interest	200.00	-	-	-
Commission and Other	1.25	-	-	-
Operating Transfers to				
General Fund	-	-	750.00	(750.00)
Total Expenditures and Transfers Subject to Budget	<u>4,201.25</u>	<u>-</u>	<u>\$ 750.00</u>	<u>\$ (750.00)</u>
Receipts Over(Under) Expenditures	(1,579.88)	564.12		
Unencumbered Cash, Beginning	<u>1,963.60</u>	<u>383.72</u>		
Unencumbered Cash, Ending	<u>\$ 383.72</u>	<u>\$ 947.84</u>		

See accompanying independent auditors' report

CITY OF SCAMMON, KANSAS
WATER UTILITY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Revenues				
Charges for Services	\$ 77,449.46	\$ 82,730.42	\$ 85,000.00	\$ (2,269.58)
Connect and Reconnect Fees	718.94	1,403.49	760.00	643.49
Use of Money and Property				
Interest Income	622.82	438.26	620.00	(181.74)
Total Cash Receipts	78,791.22	84,572.17	\$ 86,380.00	\$ (1,807.83)
Expenditures and Transfers				
Subject to Budget				
Operating Expenditures				
Personal Services	29,507.08	24,902.38	\$ 45,000.00	\$ (20,097.62)
Contractual Services	15,151.70	8,944.78	20,000.00	(11,055.22)
Commodities	10,570.75	15,331.42	30,000.00	(14,668.58)
Capital Outlay	10,668.75	-	88,774.00	(88,774.00)
Revolving Loan Pymts - New Well				
Principal	4,887.71	5,052.83	4,151.00	901.83
Interest	2,722.87	2,557.75	3,596.00	(1,038.25)
Operating Transfers to				
Water and Sewer Principal and Interest Fund	7,500.00	7,500.00	10,000.00	(2,500.00)
Water and Sewer Utility Reserve Fund	600.00	600.00	600.00	-
Total Expenditures and Transfers Subject to Budget	81,608.86	64,889.16	\$ 202,121.00	\$ (137,231.84)
Receipts Over(Under) Expenditures	(2,817.64)	19,683.01		
Unencumbered Cash, Beginning	117,718.99	114,901.35		
Unencumbered Cash, Ending	<u>\$ 114,901.35</u>	<u>\$ 134,584.36</u>		

See accompanying independent auditors' report

CITY OF SCAMMON, KANSAS
SEWER UTILITY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Revenues				
Charges for Services	\$ 34,460.75	\$ 36,761.27	\$ 37,500.00	\$ (738.73)
Use of Money and Property				
Interest Income	622.75	438.18	620.00	(181.82)
Total Cash Receipts	35,083.50	37,199.45	\$ 38,120.00	\$ (920.55)
Expenditures and Transfers				
Subject to Budget				
Operating Expenditures				
Personal Services	21,145.57	21,881.70	\$ 28,000.00	\$ (6,118.30)
Contractual Services	3,444.28	2,809.13	4,000.00	(1,190.87)
Commodities	2,142.59	11,888.58	3,000.00	8,888.58
Capital Outlay	-	-	63,637.00	(63,637.00)
Operating Transfers to				
Water and Sewer Principal and Interest Fund	7,500.00	7,500.00	10,000.00	(2,500.00)
Water and Sewer Utility Reserve Fund	600.00	600.00	600.00	-
Total Expenditures and Transfers Subject to Budget	34,832.44	44,679.41	\$ 109,237.00	\$ (64,557.59)
Receipts Over(Under) Expenditures	251.06	(7,479.96)		
Unencumbered Cash, Beginning	68,595.57	68,846.63		
Unencumbered Cash, Ending	<u>\$ 68,846.63</u>	<u>\$ 61,366.67</u>		

See accompanying independent auditors' report

CITY OF SCAMMON, KANSAS
WATER AND SEWER PRINCIPAL AND INTEREST FUND

Schedule of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers From		
Water Utility Fund	\$ 7,500.00	\$ 7,500.00
Sewer Utility Fund	7,500.00	7,500.00
Total Cash Receipts	<u>15,000.00</u>	<u>15,000.00</u>
Expenditures and Transfers		
Debt Service		
Principal	7,000.00	7,000.00
Interest	4,825.00	4,475.00
Total Expenditures and Transfers	<u>11,825.00</u>	<u>11,475.00</u>
Receipts Over(Under) Expenditures	3,175.00	3,525.00
Unencumbered Cash, Beginning	<u>14,752.75</u>	<u>17,927.75</u>
Unencumbered Cash, Ending	<u>\$ 17,927.75</u>	<u>\$ 21,452.75</u>

See accompanying independent auditors' report

CITY OF SCAMMON, KANSAS
WATER AND SEWER UTILITY RESERVE FUND

Schedule of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2011

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 451.70	\$ 194.82
Operating Transfers From		
Water Utility Fund	600.00	600.00
Sewer Utility Fund	600.00	600.00
	1,651.70	1,394.82
Total Cash Receipts		
Expenditures and Transfers		
Improvements		
Contractual Services	-	-
Capital Outlay	-	-
	-	-
Total Expenditures and Transfers		
Receipts Over(Under) Expenditures	1,651.70	1,394.82
Unencumbered Cash, Beginning	34,329.25	35,980.95
Unencumbered Cash, Ending	\$ 35,980.95	\$ 37,375.77

See accompanying independent auditors' report