

CITY OF CANTON, KANSAS
FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012

CITY OF CANTON, KANSAS
CITY OF THE THIRD CLASS
For the Year Ended December 31, 2012

Bradley M. Smiley, Mayor

CITY COUNCIL

Gabe Griffith
Charles Lance

Anthony Wedel
Tracy Morgan

Jean Anderson

CITY OFFICERS

Marty Grill, Clerk
Mary Jane Lauer, Treasurer

Tim Karstetter, Attorney
Amie Bauer, Municipal Judge

John Betzer, Chief of Police

CITY OF CANTON, KANSAS

For the Year Ended December 31, 2012

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Canton, Kansas 67428

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Canton, Kansas, a Municipality, as of and for the year ended December 31, 2012 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Canton, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" 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, 2012, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

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, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2012 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis 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 2012 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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 2012 basic financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or to the 2012 basic 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 2012 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2011 Actual column presented in the individual fund schedules of regulatory basis 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 2011 basic financial statement upon which we rendered an unqualified opinion dated July 24, 2012. The 2011 basic financial statement and our accompanying 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 2011 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 2011 basic financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 basic 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 basic financial statement or to the 2011 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 basic financial statement as a whole, on the basis of accounting described in Note 1.

Swindoll, Janzen, Hawk & Loyd, LLC

Certified Public Accountants

May 18, 2013

CITY OF CANTON, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**Regulatory Basis**

For the Year Ended December 31, 2012

	Beginning Unencum- bered Cash Balance	Prior Year Cancelled Encumb- rances	Receipts	Expendi- tures	Ending Un- encumbered Cash Balance	Add: Encum- brances and Accounts Payable	Ending Cash Balance
GENERAL FUND:							
General Fund	\$ 491,338	\$ -	\$ 438,668	\$ 391,454	\$ 538,552	\$ 6,710	\$ 545,262
SPECIAL PURPOSE FUNDS:							
Special City/County Highway Fund	94,703	-	19,452	1,294	112,861	-	112,861
Special Park and Recreation Fund	1,394	-	5,384	2,392	4,386	-	4,386
Special Equipment Fund	57,513	-	12,500	-	70,013	-	70,013
Total Special Purpose Funds	153,610	-	37,336	3,686	187,260	-	187,260
BUSINESS FUNDS:							
Sewer Fund	130,775	-	80,810	84,829	126,756	248	127,004
Water Fund	179,703	-	198,639	182,692	195,650	11,418	207,068
Total Business Funds	310,478	-	279,449	267,521	322,406	11,666	334,072
Total Reporting Entity (Excluding Agency Funds)	\$ 955,426	\$ -	\$ 755,453	\$ 662,661	\$ 1,048,218	\$ 18,376	\$ 1,066,594
COMPOSITION OF CASH:							
Petty Cash							\$ 100
Checking Account - State Bank of Canton							746,044
Money Market Account - Citizens State Bank							227,513
Certificates of Deposit - Citizens State Bank							97,619
Total Cash							1,071,276
Less Agency Funds per Schedule 3							(4,682)
Total Reporting Entity (Excluding Agency Funds)							\$ 1,066,594

CITY OF CANTON, KANSAS

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Municipal Financial Reporting Entity*

The City of Canton is a municipal corporation governed by an elected mayor and elected five-member council. The financial statement presents the City of Canton (the municipality). The City does not have any related municipal entities.

(b) *Regulatory Basis Fund Types*

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (i.e. water fund, electric fund, etc.).

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.)

(c) *Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America*

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America (Cont.)

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 regulatory basis of accounting.

(d) Budgetary Information

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

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 2012.

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 regulatory 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 2012.

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, 2012.

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, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$1,071,276 and the bank balance was \$1,079,463. 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 \$579,463 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, 2012, 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>Balance End of Year</u>	<u>Interest Paid</u>
Kansas Water Pollution									
Control Revolving Loan	2.73%	7-27-04	\$ 288,228	3-1-26	\$ 221,933	\$ -	\$ 12,440	\$ 209,493	\$ 6,522
2011 Excavator	4.50%	5-7-12	\$ 37,901	5-7-13	-	37,901	5,058	32,843	-
Total Contractual Indebtedness					<u>\$ 221,933</u>	<u>\$ 37,901</u>	<u>\$ 17,498</u>	<u>\$ 242,336</u>	<u>\$ 6,522</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					2018	2023	Total
	2013	2014	2015	2016	2017	to 2022	to 2026	
PRINCIPAL:								
Kansas Water Pollution								
Control Revolving Loan	\$ 12,814	\$ 13,199	\$ 13,595	\$ 14,003	\$ 14,423	\$ 78,878	\$ 62,581	\$ 209,493
2011 Excavator	32,843	-	-	-	-	-	-	32,843
TOTAL PRINCIPAL	45,657	13,199	13,595	14,003	14,423	78,878	62,581	242,336
INTEREST:								
Kansas Water Pollution								
Control Revolving Loan	6,148	5,763	5,367	4,959	4,539	15,932	3,785	46,493
2011 Excavator	1,498	-	-	-	-	-	-	1,498
TOTAL INTEREST	7,646	5,763	5,367	4,959	4,539	15,932	3,785	47,991
TOTAL PRINCIPAL AND INTEREST	\$ 53,303	\$ 18,962	\$ 18,962	\$ 18,962	\$ 18,962	\$ 94,810	\$ 66,366	\$ 290,327

5. DEFINED BENEFIT PENSION PLAN

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. 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) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERs member-employee contribution rates. Effective July 1, 2009 KPERs has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERs member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. Kansas law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERs is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) 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 this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City 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.

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (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.

7. OTHER RELATIONSHIPS

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.

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.

7. OTHER RELATIONSHIPS (CONT.)

McPherson Area Solid Waste Utility (Cont.)

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, 2011 is as follows:

Total Assets	\$	11,742,076
Total Liabilities		4,910,070
Total Net Assets		6,832,006
Total Revenues		4,932,442
Total Expenses		4,860,143
Change in Net Assets		72,299

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

8. 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 the date of this report, the 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 torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012 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.

9. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory 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	2,500
Sewer	General	K.S.A. 12-1, 117	15,000
Water	General	K.S.A. 12-1, 117	15,000
Total			<u>\$ 42,500</u>

10. SUBSEQUENT EVENTS

On April 1, 2013, the Council approved a \$520,000 GO Bond to be paid over 20 years with an interest rate of 2.822%. The bond proceeds will be used to pay for street improvements.

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

CITY OF CANTON, KANSAS
REGULATORY - REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

CITY OF CANTON, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**Regulatory Basis****(Budgeted Funds Only)****For the Year Ended December 31, 2012**

	<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 - Over (Under)</u>
GENERAL FUND:					
General Fund	\$ 800,570	\$ -	\$ 800,570	\$ 391,454	\$ (409,116)
SPECIAL PURPOSE FUNDS:					
Special City/County Highway Fund	105,375	-	105,375	1,294	(104,081)
Special Park and Recreation Fund	4,940	-	4,940	2,392	(2,548)
Special Equipment Fund	71,396	-	71,396	-	(71,396)
BUSINESS FUNDS:					
Sewer Fund	202,622	-	202,622	84,829	(117,793)
Water Fund	343,691	-	343,691	182,692	(160,999)

CITY OF CANTON, KANSAS

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes -				
Ad valorem property tax	\$ 158,283	\$ 158,274	\$ 170,958	\$ (12,684)
Back tax collections	10,815	11,486	1,500	9,986
Motor vehicle tax	27,601	28,041	27,939	102
Recreational vehicle tax	745	707	697	10
16/20M vehicle tax	489	143	485	(342)
Local sales tax	93,162	88,203	80,000	8,203
Sales tax for streets	56,759	55,525	46,000	9,525
Local alcoholic liquor tax	3,285	4,611	1,726	2,885
Fuel tax refund	489	-	-	-
Special assessments	1,128	1,504	1,500	4
Total Taxes	352,756	348,494	330,805	17,689
Licenses and Permits -				
Utility franchise taxes	29,468	26,803	25,000	1,803
City licenses and building permits	1,968	38	400	(362)
Total Licenses and Permits	31,436	26,841	25,400	1,441
Fines, Forfeitures and Penalties -				
Police fines	10,094	8,805	9,000	(195)
Use of Money and Property -				
Interest income	2,312	1,990	3,000	(1,010)
Other Income -				
Insurance dividend/claims	736	1,784	-	1,784
Economic development	1,147	2,569	1,300	1,269
Swimming pool receipts	5,957	14,179	6,000	8,179
Community center rent	2,010	1,450	1,200	250
Reimbursements	-	352	2,000	(1,648)
Sunflower foundation grant	14,514	-	-	-
Miscellaneous	7,016	2,204	2,000	204
Total Other Income	31,380	22,538	12,500	10,038
Transfers -				
Transfer from Water Fund	-	15,000	15,000	-
Transfer from Sewer Fund	-	15,000	15,000	-
Total Transfers	-	30,000	30,000	-
Total Receipts	427,978	438,668	\$ 410,705	\$ 27,963

CITY OF CANTON, KANSAS

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	<u>2012</u>			Variance - Over (Under)
	<u>2011 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Expenditures				
General Administration -				
Personal services	\$ 64,143	\$ 60,424	\$ 76,400	\$ (15,976)
Contracted services	21,606	20,715	29,000	(8,285)
Commodities	54,186	57,829	70,000	(12,171)
Capital outlay	48,665	6,750	140,000	(133,250)
Community center	4,013	3,894	5,000	(1,106)
Health insurance	17,681	21,660	17,500	4,160
Transfer to Special Equipment Fund	7,500	7,500	7,500	-
Total General Administration	<u>217,794</u>	<u>178,772</u>	<u>345,400</u>	<u>(166,628)</u>
Streets -				
Commodities	81	16,353	-	16,353
Contracted services	108,403	36,320	198,597	(162,277)
Total Streets	<u>108,484</u>	<u>52,673</u>	<u>198,597</u>	<u>(145,924)</u>
Police Department -				
Personal services	48,191	53,084	56,000	(2,916)
Uniforms	308	181	500	(319)
Training	177	181	500	(319)
Dues and subscriptions	-	-	100	(100)
Equipment maintenance	2,475	2,603	1,000	1,603
Fuel	2,358	2,350	2,000	350
Office supplies	735	203	500	(297)
Vehicle maintenance	2,847	10,931	1,500	9,431
Commodities	118	1,354	-	1,354
Phones	875	1,188	2,000	(812)
Utilities	959	763	1,215	(452)
Health insurance	6,625	7,730	7,100	630
Insurance	3,390	3,833	4,000	(167)
Police car	-	-	10,000	(10,000)
Total Police Department	<u>69,058</u>	<u>84,401</u>	<u>86,415</u>	<u>(2,014)</u>
Fire Department -				
Contracted services	3,626	-	3,618	(3,618)

CITY OF CANTON, KANSAS

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Expenditures (cont.)				
McMurray Ball Park -				
Personal services	\$ 1,620	\$ 2,694	\$ 1,000	\$ 1,694
Contracted services	780	850	2,000	(1,150)
Total McMurray Ball Park	<u>2,400</u>	<u>3,544</u>	<u>3,000</u>	<u>544</u>
Hess Pool -				
Personal services	19,155	19,249	20,000	(751)
Commodities	8,254	19,379	10,000	9,379
Total Hess Pool	<u>27,409</u>	<u>38,628</u>	<u>30,000</u>	<u>8,628</u>
Street Repair/Sales Tax -				
Contractual services	22,072	32,849	46,000	(13,151)
Parks and Recreation -				
Commodities	-	587	-	587
Economic Development	-	-	17,540	(17,540)
Purchase of Fire Station Building	-	-	70,000	(70,000)
Total Expenditures	<u>450,843</u>	<u>391,454</u>	<u>\$ 800,570</u>	<u>\$ (409,116)</u>
Receipts Over (Under) Expenditures	(22,865)	47,214		
Unencumbered Cash, Beginning	<u>514,203</u>	<u>491,338</u>		
Unencumbered Cash, Ending	<u>\$ 491,338</u>	<u>\$ 538,552</u>		

CITY OF CANTON, KANSAS

SPECIAL PURPOSE FUNDSPECIAL CITY/COUNTY HIGHWAY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	<u>2011 Actual</u>	<u>2012</u>		<u>Variance - Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State of Kansas - fuel tax	\$ 20,015	\$ 19,404	\$ 21,540	\$ (2,136)
Miscellaneous	-	48	-	48
Total Receipts	<u>20,015</u>	<u>19,452</u>	<u>\$ 21,540</u>	<u>\$ (2,088)</u>
Expenditures				
Street maintenance	<u>8,077</u>	<u>1,294</u>	<u>\$ 105,375</u>	<u>\$ (104,081)</u>
Receipts Over (Under) Expenditures	11,938	18,158		
Unencumbered Cash, Beginning	<u>82,765</u>	<u>94,703</u>		
Unencumbered Cash, Ending	<u>\$ 94,703</u>	<u>\$ 112,861</u>		

CITY OF CANTON, KANSAS

SPECIAL PURPOSE FUNDSSPECIAL PARK AND RECREATION FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local alcoholic liquor tax	\$ 1,131	\$ -	\$ 1,726	\$ (1,726)
Chamber	701	491	-	491
Economic development	-	3,270	-	3,270
Insurance dividend/claims	-	1,623	-	1,623
Total Receipts	<u>1,832</u>	<u>5,384</u>	<u>\$ 1,726</u>	<u>\$ 3,658</u>
Expenditures				
Commodities	-	1,274	\$ -	\$ 1,274
Capital Outlay	2,025	-	-	-
Park improvement	<u>2,516</u>	<u>1,118</u>	<u>4,940</u>	<u>(3,822)</u>
Total Expenditures	<u>4,541</u>	<u>2,392</u>	<u>\$ 4,940</u>	<u>\$ (2,548)</u>
Receipts Over (Under) Expenditures	(2,709)	2,992		
Unencumbered Cash, Beginning	<u>4,103</u>	<u>1,394</u>		
Unencumbered Cash, Ending	<u>\$ 1,394</u>	<u>\$ 4,386</u>		

CITY OF CANTON, KANSAS

SPECIAL PURPOSE FUNDSPECIAL EQUIPMENT FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
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 Receipts	<u>12,500</u>	<u>12,500</u>	<u>\$ 12,500</u>	<u>\$ -</u>
Expenditures				
Capital outlay	<u>6,383</u>	<u>-</u>	<u>\$ 71,396</u>	<u>\$ (71,396)</u>
Receipts Over (Under) Expenditures	6,117	12,500		
Unencumbered Cash, Beginning	<u>51,396</u>	<u>57,513</u>		
Unencumbered Cash, Ending	<u>\$ 57,513</u>	<u>\$ 70,013</u>		

CITY OF CANTON, KANSAS

BUSINESS FUND

SEWER FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts				
Sewer collections	\$ 76,995	\$ 79,705	\$ 77,200	\$ 2,505
Interest income	383	205	-	205
Miscellaneous	2,665	900	-	900
Total Receipts	80,043	80,810	\$ 77,200	\$ 3,610
Expenditures				
Personal services	22,476	21,366	\$ 28,000	\$ (6,634)
Contractual services	10,988	8,095	6,000	2,095
Commodities	7,368	6,167	10,000	(3,833)
Capital outlay	1,478	-	112,160	(112,160)
Health insurance	10,280	12,739	10,000	2,739
Transfer to General Fund	-	15,000	15,000	-
Transfer to Special Equipment Fund	2,500	2,500	2,500	-
Revolving Loan Principal	12,078	12,440	12,440	-
Revolving Loan Interest	6,884	6,522	6,522	-
Total Expenditures	74,052	84,829	\$ 202,622	\$ (117,793)
Receipts Over (Under) Expenditures	5,991	(4,019)		
Unencumbered Cash, Beginning	124,784	130,775		
Unencumbered Cash, Ending	\$ 130,775	\$ 126,756		

CITY OF CANTON, KANSAS

BUSINESS FUNDWATER FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts				
Water collections	\$ 148,418	\$ 145,263	\$ 127,000	\$ 18,263
Meter hookups/connection fees	2,620	830	2,000	(1,170)
Trash service fees	49,404	51,023	48,000	3,023
Sales tax	886	857	1,000	(143)
Interest	464	260	-	260
Miscellaneous	2,113	406	150	256
Total Receipts	<u>203,905</u>	<u>198,639</u>	<u>\$ 178,150</u>	<u>\$ 20,489</u>
Expenditures				
Personal services	40,178	36,697	\$ 46,600	\$ (9,903)
Contractual services	10,407	7,174	20,000	(12,826)
Trash hauling	45,041	42,792	43,000	(208)
Commodities	65,734	61,144	40,000	21,144
Capital outlay	8,850	-	162,891	(162,891)
Sales tax	675	1,127	1,000	127
Health insurance	13,158	16,258	12,700	3,558
Transfer to General Fund	-	15,000	15,000	-
Transfer to Special Equipment Fund	2,500	2,500	2,500	-
Total Expenditures	<u>186,543</u>	<u>182,692</u>	<u>\$ 343,691</u>	<u>\$ (160,999)</u>
Receipts Over (Under) Expenditures	17,362	15,947		
Unencumbered Cash, Beginning	<u>162,341</u>	<u>179,703</u>		
Unencumbered Cash, Ending	<u>\$ 179,703</u>	<u>\$ 195,650</u>		

CITY OF CANTON, KANSAS

AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

Regulatory Basis

For the Year Ended December 31, 2012

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Payroll Clearing Fund	\$ 3,621	\$ 193,513	\$ 192,452	\$ 4,682