CITY OF DIGHTON
DIGHTON, KANSAS

DECEMBER 31, 2012

CITY OF DIGHTON

DIGHTON, KANSAS

REPORT ON AUDIT OF ACCOUNTS

FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2012

DIRKS, ANTHONY & DUNCAN, LLC
CERTIFIED PUBLIC ACCOUNTANTS
104 N. Main
Ulysses, Kansas 67880

CITY OF DIGHTON, KANSAS
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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Dighton
Dighton, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Dighton, 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 A 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.

Auditor's 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 A of the financial statement, the financial statement is prepared by the City of Dighton 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 the basis of accounting other than accounting principles generally accepted in the United States of America.

The effects of the financial statement of the variances between the regulatory basis of accounting described in Note A 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 Dighton 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 Dighton 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 A.

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, schedule of regulatory basis receipts and expenditures-agency funds and other supporting schedules (Schedules 1, 2 and 3, as listed in the table of contents) are presented for analysis and are not a required part of the 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 A.

The 2011 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedules of regulatory basis receipts and expenditures-actual (Schedules 2 listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 basic financial statements upon when we rendered an unqualified opinion dated May 30, 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 A.

Dirks, Anthony, & Duncan L.L.C

DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

June 6, 2013

CITY OF DIGHTON, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2012

STATEMENT 1

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance
General Fund	$ 287,660	375,928	551,411	112,176
Special Purpose Funds:				
Employee Benefits Fund	2,661	192,528	168,519	26,670
Special Highway Fund	19,826	26,891	39,336	7,381
Special Parks Fund	4,778	1,778	6,075	481
Equipment Reserve Fund	3,759	94,000	94,603	3,156
CDBG Grant	-	188,478	188,477	1
Economic Development Fund	-	-	-	-
Improvement Fund 2012	7,767	-	-	7,767
Bond and Interest Funds:				
Bond & Interest Fund	7,730	34,568	17,613	24,685
Business Funds:				
Enterprise Type Funds				
Electric Utility Fund	781,372	1,469,888	1,398,975	852,285
Water Utility Fund	212,231	338,680	176,404	374,507
Trash Utility Fund	5,800	94,031	90,250	9,581
Sewer Maintenance Fund	139,797	75,702	77,754	137,745
Total Reporting Entity (Excluding Agency Funds)	$ 1,473,381	2,892,472	2,809,419	1,556,434

Composition of Cash:

Time Deposits, First National Bank, Dighton, Kansas
Cash in checking, First National Bank, Dighton, Kansas
Cash in checking, First National Bank, Dighton, Kansas
Cash in checking, First National Bank, Dighton, Kansas
Less: O/S checks
Add: Transit deposit

Money Market Account, First National Bank, Dighton, Kansas

Petty cash
Municipal Court Checking, First National Bank, Dighton, Kansas
Less: O/S Checks
Add: Transit Deposits

Total Composition of Cash

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

	Add: Encumbrances and Accounts Payable	Ending Cash Balance
	8,928	121,104
	1,645	28,315
	1,349	8,730
	-	481
	-	3,156
	-	1
	-	-
	-	7,767
	-	24,685
	2,610	854,895
	5,834	380,341
	-	9,581
	2,780	140,525
	23,146	1,579,581
		$ 500,000
		-
$	1,129,413	
	(172,653)	
	-	
		956,761
		122,271
		300
$	841	
	(591)	
	-	
		250
		$ 1,579,581

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Financial Reporting Entity

The City of Dighton, Kansas (the City) was incorporated in 1879. The City is a municipal corporation governed by an elected five member council and an elected mayor. The regulatory financial statement presents the City of Dighton (the Municipality) but does not include its related municipal entities. The related municipal entities are included in the City's reporting entity because it was established to benefit the City and/or its constituents.

The City of Dighton Housing Authority – the City of Dighton Housing Authority Board has oversight responsibility and operates the Housing Authority. The Housing Authority Board is appointed by the mayor of the City of Dighton. Complete financial records of the Housing Authority may be viewed at the administrative offices of the entity at 600 W Annabella, Dighton, KS 67839.

2. 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.

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services.

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.

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 (payroll clearing fund, county treasurer tax collection accounts, etc.).

3. 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.

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.

4. 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 this year.

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 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 budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for utility reserve funds and the following special purpose funds:

CDBG Grant Fund, Economic Development Fund, Improvement 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.

5. Ad Valorem Tax Revenue

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. Taxes are levied by November 1 and a lien for all taxes attaches on that same date until the taxes are paid. One-half of the property taxes is due December 20 and distributed to the City by January 20, and the second half is due May 10 and distributed to the City by June 5. The City draws available funds from the County Treasurer's office at designated times throughout the year.

6. Special Assessments

Projects financed in part by special assessments are financed through issuance of general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Bond and Interest Fund.

B. 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 to 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 to 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.

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, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2012.

At December 31, 2012 the carrying amount of the City's deposits, including certificates of deposit, was $1,579,581 and the bank balance was $1,752,526. Of the bank balance, $372,271 was covered by federal depository insurance, and $1,380,255 was collateralized with securities held by the pledging financial institutions agents in the City's name.

C. PENSION COSTS AND EMPLOYEE BENEFITS

1. Defined Benefit Pension Plan

Plan Description. The City of Dighton, Kansas, 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.* KPER provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPER 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), at the following website: http://www.kpers.org/annualreport2012.pdf or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-419 and 74-49,210 establishes 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 employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPER is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The City of Dighton employer contributions to KPERS for the years ending December 31, 2012, 2011, and 2010 were $23,252, $20,334 and $18,105, respectively, equal to the regulatory required contributions for each year as set forth by the legislature.

2. Other Employee Benefits

Vacation leave and Sick leave

Vacation leave is accrued at the rate of 5 days per year with 1 year of employment, 10 days with 2 to 9 years, and 15 days with 10 or more years. Vacation days can be accrued up to five days. Employees are paid for a maximum of 5 days at year-end for any unused accumulated vacation days. Any amount over 5 days is lost. Upon termination employees will be paid for any accumulated days, not to exceed 5 days.
Sick days accrue at the rate of 1 day per month. Employees may accrue up to 90 days, and employees are paid for one-third of their accumulated sick leave upon retirement or termination starting in 2006. The amounts for the years ending December 31, 2012 and 2011 for compensated absences and associated employee benefits are $21,501 and $1,645; and $20,669 and $1,581.

Section 125 Cafeteria Plan/Health Insurance - The City offers a Section 125 cafeteria plan for all employees electing to participate. The City uses this for health insurance premiums, unreimbursed medical and dependent care expense. Annually in August, each employee determines the amount of contribution to the plan for these expenses. The plan is administered by the City.

3. 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 premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement. This year the City had no retirees participating in the health insurance.

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.

D. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regularity Authority	Amount
Sewer Utility	Equipment Reserve	K.S. A. 12-825d	$33,000.00
Electric Utility	General Fund	K.S. A. 12-825d	$100,000.00
Electric Utility	Equipment Reserve	K.S. A. 12-825d	$61,000.00

E. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets: errors and omissions; injuries to employees; and natural disasters. The City continues to carry commercial insurance for all other risks of loss, including property, liability, employee benefits, workers compensation and commercial output. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

F. CONTINGENCIES

The City, at times, receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement of the City at December 31, 2012.

G. CAPITAL PROJECTS

The City of Dighton had no capital projects in place for the year ending December 31, 2012.

H. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

I. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There were no cash basis law or budget law violations for the year ending December 31, 2012.

13. **Long-Term Debt**

Changes in long-term debt for the City of Dighton for the year ended December 31, 2012, 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
General Obligation Bonds:								
Assisted Living Facility	Varied	9/1/2004	100,000	2014	$ 30,000	$ -	$ 10,000	$ 20,000
Public Water Supply System Improve	Varied	12/1/2011	225,000	2022	225,000	-	-	225,000
Capital Leases Payable	4.55%	2/5/2008	136,250	2012	28,740	-	28,740	-
Total Contractual Indebtedness					$ 283,740	-	38,740	245,000
Total Long-Term Debt					$ 283,740	$ -	$ 38,740	$ 245,000

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

		Year							
		2013	2014	2015	2016	2017	2018	2019	2020
Principal:									
General obligation bonds									
Assisted Living Facility	$	10,000	10,000	-	-	-	-	-	-
Public Water Supply System Improve		20,000	20,000	20,000	20,000	20,000	25,000	25,000	25,000
Capital Leases Payable		-	-	-	-	-	-	-	-
Total principal	$	30,000	30,000	20,000	20,000	20,000	25,000	25,000	25,000
Interest:									
General obligation bonds									
Assisted Living Facility	$	935	475	-	-				
Public Water Supply System Improve		6,227	5,918	5,557	5,138	4,657	4,138	3,424	2,638
Capital Leases Payable		-	-	-	-	-	-	-	-
Total interest	$	7,162	6,393	5,557	5,138	4,657	4,138	3,424	2,638
Total principal and interest	$	37,162	36,393	36,393	25,138	24,657	29,138	28,424	27,638

	Interest Paid
$	1,385
	6,228
	1,283
	8,896
$	8,896

2021	2022	Total
-	-	20,000
25,000	25,000	225,000
-	-	-
25,000	25,000	245,000
		1,410
1,788	912	40,397
-	-	-
1,788	912	41,807
26,788	25,912	286,807

CITY OF DIGHTON

Regulatory Required Supplemental Information

CITY OF DIGHTON, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

SCHEDULE 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance-Over (Under)
General Fund	$ 627,366		627,366	551,411	75,955
Special Purpose Funds:					
Employee Benefits Fund	196,000		196,000	168,519	27,481
Special Highway Fund	47,800		47,800	39,336	8,464
Special Parks Fund	7,784		7,784	6,075	1,709
Equipment Reserve Fund	N/A		N/A	94,603	N/A
CDBG Grant	N/A		N/A	188,477	N/A
Economic Development	N/A		N/A	-	N/A
Improvement Fund 2012	N/A		N/A	-	
Bond and Interest Funds:					
Bond & Interest Fund	58,264		58,264	17,613	40,651
Business Funds:					
Enterprise Type Funds					
Electric Utility Fund	2,268,469		2,268,469	1,398,975	869,494
Water Utility Fund	503,310		503,310	176,404	326,906
Trash Utility Fund	98,245		98,245	90,250	7,995
Sewer Maintenance Fund	226,321		226,321	77,754	148,567
Total Primary Government				$ 2,809,419	

CITY OF DIGHTON, KANSAS
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)

SCHEDULE 2-1

		2011 Actual	2012 Actual	2012 Budget	Variance Over (Under)
Cash Receipts					
Taxes	$	127,679	84,894	86,995	(2,101)
Intergovernmental revenue		146,172	137,105	135,000	2,105
License, permits, and fees		56,453	47,665	32,700	14,965
Use of money and property		4,790	3,330	10,000	(6,670)
Miscellaneous		118,865	102,934	146,000	(43,066)
Total Cash Receipts	$	453,959	375,928	410,695	(34,766)
Expenditures and Transfers Subject to Budget					
General government	$	112,836	118,415	132,500	14,085
Street department		100,203	168,065	199,866	31,801
Fire department		41,199	35,443	50,000	14,557
Police department		125,000	165,000	165,000	-
Pool		45,841	46,311	45,000	(1,311)
Municipal Court		6,019	6,070	8,000	1,930
Housing		3,810	1,105	17,000	15,895
Streetscapes project		-	-	-	-
K-96 Project		-	-	-	-
Beautification/Improvement		4,905	11,002	10,000	(1,002)
Total Expenditures and Transfers Subject to Budget	$	439,813	551,411	627,366	75,955
Receipts Over (Under) Expenditures	$	14,146	(175,483)		
Unencumbered Cash, Beginning		273,514	287,660		
Unencumbered Cash, Ending	$	287,660	112,177		

CITY OF DIGHTON, KANSAS
Employee Benefits 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)

SCHEDULE 2-2

		2011 Actual	2012 Actual	2012 Budget	Variance Over (Under)
Cash Receipts					
Taxes					
Ad valorem property taxes	$	118,589	152,639	159,270	(6,631)
Back taxes		2,673	2,225	-	2,225
Motor vehicle & recreational vehicle tax		36,332	36,901	35,658	1,243
Total Taxes	$	157,594	191,765	194,928	(3,163)
Miscellaneous					
Miscellaneous	$	517	763	500	263
Interest		-	-	-	-
Transfer from electric		-	-	-	-
Transfer from water		-	-	-	-
Total Miscellaneous	$	517	763	500	263
Total Cash Receipts	$	158,111	192,528	195,428	(2,900)
Expenditures and Transfers Subject to Budget					
Social Security	$	24,733	25,028	30,000	4,972
KPERS		20,334	23,252	25,000	1,748
Department of Human Resources		321	335	1,000	665
Employee health insurance/cafeteria plan		103,184	106,897	125,000	18,103
Workman's Compensation Insurance		10,107	13,007	15,000	1,993
Contractual Services		-	-	-	-
Miscellaneous		2,077	-	-	-
Total Expenditures		160,756	168,519	196,000	27,481
Total Expenditures and Transfers Subject to Budget	$	160,756	168,519	196,000	27,481
Receipts Over (Under) Expenditures	$	(2,645)	24,009		
Unencumbered Cash, Beginning		5,306	2,661		
Unencumbered Cash, Ending	$	2,661	26,670		

CITY OF DIGHTON, KANSAS
Special Highway 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 Decemeber 31, 2011)

SCHEDULE 2-3

		2011 Actual	2012 Actual	2012 Budget	Variance Over (Under)
Cash Receipts					
Intergovernmental revenue					
State of Kansas	$	26,814	26,891	27,210	(319)
Total Intergovernmental Revenue	$	26,814	26,891	27,210	(319)
Miscellaneous					
Miscellaneous	$	-	-	-	-
Interest		-	-	-	-
Total Miscellaneous	$	-	-	-	-
Total Cash Receipts	$	26,814	26,891	27,210	(319)
Expenditures and Transfers Subject to Budget					
Personal services	$	13,237	13,893	20,000	6,107
Contractual service		1,873	8,674	10,000	1,326
Commodities		-	16,769	17,800	1,031
Capital Outlay		19,798	-	-	-
Miscellaneous		-	-	-	-
Total Expenditures and Transfers Subject to Budget	$	34,908	39,336	47,800	8,464
Receipts Over (Under) Expenditures	$	(8,094)	(12,445)		
Unencumbered Cash, Beginning		27,920	19,826		
Unencumbered Cash, Ending	$	19,826	7,381		

CITY OF DIGHTON, KANSAS
Special Parks Fund
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals from the Prior Year Ended December 31, 2011)

SCHEDULE 2-4

		2011 Actual	2012 Actual	2012 Budget	Variance Over (Under)
Cash Receipts					
Intergovernmental revenue					
Liquor Tax	$	1,749	1,778	-	1,778
Total Intergovernmental Revenue	$	1,749	1,778	-	1,778
Miscellaneous					
Interest	$	-	-	-	-
Transfer from Electric		-	-	-	-
Transfer from Water		-	-	-	-
Total Miscellaneous	$	-	-	-	-
Total Cash Receipts	$	1,749	1,778	-	1,778
Expenditures and Transfers Subject to Budget					
Personal services	$	1,086	852	2,000	1,148
Contractual services		3,715	2,575	3,000	425
Commodities		6,154	2,648	2,784	136
Capital Outlay		-	-	-	-
Miscellaneous		-	-	-	-
Total Expenditures and Transfers Subject to Budget	$	10,955	6,075	7,784	1,710
Receipts Over (Under) Expenditures	$	(9,206)	(4,297)		
Unencumbered Cash, Beginning		13,984	4,778		
Unencumbered Cash, Ending	$	4,778	481		

CITY OF DIGHTON, KANSAS
Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

SCHEDULE 2-5

		2011 Actual	2012 Actual
Cash Receipts			
Other Cash Receipts			
Other	$	-	-
Transfer from Electric & Sewer		31,000	94,000
Total Cash Receipts	$	31,000	94,000
Expenditures and Transfers			
Principle Payment		27,487	28,689
Interest		2,586	1,327
Capital Outlay	$	-	64,587
Total Expenditures and Transfers	$	30,073	94,603
Receipts Over (Under) Expenditures	$	927	(603)
Unencumbered Cash, Beginning		2,832	3,759
Unencumbered Cash, Ending	$	3,759	3,156

CITY OF DIGHTON, KANSAS
CDBG Grant Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

SCHEDULE 2-6

		2011 Actual	2012 Actual
Cash Receipts			
Federal Aid from State Payment- Dept of Commerce Grant	$	-	188,478
Other		-	-
Interest income		-	-
Total Cash Receipts	$	-	188,478
Expenditures and Transfers			
Grant Expenses-Capital Outlay	$	-	188,477
Total Expenditures and Transfers	$	-	188,477
Receipts Over (Under) Expenditures	$	-	1
Unencumbered Cash, Beginning		-	-
Unencumbered Cash, Ending	$	-	1

CITY OF DIGHTON, KANSAS
Economic Development Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

SCHEDULE 2-7

		2011 Actual	2012 Actual
Cash Receipts			
Miscellaneous			
Interest	$	-	-
Transfer from electric, water, and sewer		50,000	
Total Miscellaneous	$	50,000	-
Total Cash Receipts	$	50,000	-
Expenditures and Transfers Subject to Budget			
Appropriation to Board	$	50,000	-
Total Expenditures and Transfers Subject to Budget	$	50,000	-
Receipts Over (Under) Expenditures	$	-	-
Unencumbered Cash, Beginning		-	-
Unencumbered Cash, Ending	$	-	-

CITY OF DIGHTON, KANSAS
2012 Improvement Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparataive Actual Totals for the Prior Year Ended December 31, 2011)

SCHEDULE 2-8

		2011 Actual	2012 Actual
Cash Receipts			
Miscellaneous			
Income Bond Proceeds	$	220,500	-
Transfer from electric, water, and sewer		-	-
Total Miscellaneous	$	220,500	-
Total Cash Receipts	$	220,500	-
Expenditures and Transfers Subject to Budget			
Appropriation to Board			
Capital Outlay	$	208,438	-
Bond issue costs		4,295	-
Total Expenditures and Transfers Subject to Budget	$	212,733	-
Receipts Over (Under) Expenditures	$	7,767	-
Unencumbered Cash, Beginning		-	7,767
Unencumbered Cash, Ending	$	7,767	7,767

CITY OF DIGHTON, KANSAS
Bond & Interest Fund
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Total for the Prior Year Ended December 31, 2011)

SCHEDULE 2-9

		2011 Actual	2012 Actual	2012 Budget	Variance Over (Under)
Cash Receipts					
Taxes					
Ad valorem property taxes	$	17,161	33,543	35,000	(1,457)
Back taxes		1,675	599	-	599
Motor vehicle and recreational tax		468	426	5,113	(4,687)
Reimbursement from Assisted Living Facility		-	-	-	-
Transfer from Assisted Living Facility - Residual Equity		-	-	-	-
Total Cash Receipts	$	19,304	34,568	40,113	(5,544)
Expenditures and Transfers Subject to Budget					
Principal	$	15,719	10,000	10,000	-
Interest		1,825	7,613	1,385	(6,228)
Miscellaneous		-	-	5	5
Reserve		-	-	46,874	46,874
Total Expenditures and Transfers Subject to Budget	$	17,544	17,613	58,264	40,651
Receipts Over (Under) Expenditures	$	1,760	16,955		
Unencumbered Cash, Beginning		5,970	7,730		
Unencumbered Cash, Ending	$	7,730	24,685		

CITY OF DIGHTON, KANSAS
Electric Utility 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)

SCHEDULE 2-10

		2011 Actual	2012 Actual	2012 Budget	Variance Over (Under)
Cash Receipts					
Net collection fees	$	1,401,961	1,466,448	1,425,000	41,448
Miscellaneous collections		10,087	2,619	-	2,619
Federal aid - emergency preparedness		-	-	-	
Interest income		112	65	200	(135)
Miscellaneous			756	500	
Sale of assets		-	-	-	-
Total Cash Receipts	$	1,412,160	1,469,888	1,425,700	43,933
Expenditures and Transfers Subject to Budget					
Personal services	$	32,148	33,074	80,000	46,926
Contractual services		171,560	167,656	175,000	7,344
Commodities		19,399	24,159	30,000	5,841
Capital Outlay		4,671	100,534	1,001,469	900,935
Power Purchases		822,905	874,684	800,000	(74,684)
Miscellaneous		-	-	-	-
Sales tax		33,174	37,868	40,000	2,133
Transfer to Equip/Improvement		31,000	61,000	25,000	(36,000)
Transfer to General		100,000	100,000	100,000	-
Transfer to Economic Development		17,000		17,000	17,000
Transfer to Special Parks		-	-	-	-
Transfer to Employee Benefits		-	-	-	-
	$	1,231,857	1,398,975	2,268,469	869,494
Total Expenditures and Transfers Subject to Budget	$	1,231,857	1,398,975	2,268,469	869,494
Receipts Over (Under) Expenditures	$	180,303	70,913		
Unencumbered Cash, Beginning		601,069	781,372		
Unencumbered Cash, Ending	$	781,372	852,285		

CITY OF DIGHTON, KANSAS
Water Utility Fund
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals from the Prior Year Ended December 31, 2011)

SCHEDULE 2-11

		2011 Actual	2012 Actual	2012 Budget	Variance Over (Under)
Cash Receipts					
Water sales	$	276,113	315,730	245,000	70,730
Water disconnect fees		-	-	-	-
Penalties		10,307	11,742	12,000	(258)
Customer deposits		8,425	7,775	7,000	775
Miscellaneous		2,353	3,433	1,200	2,233
Total Cash Receipts	$	297,198	338,680	265,200	73,480
Expenditures and Transfers Subject to Budget					
Personal services	$	81,727	83,326	80,000	(3,326)
Contractual services		28,635	26,848	30,000	3,152
Commodities		32,945	20,227	25,000	4,773
Capital outlay		48,921	11,299	339,810	328,511
Deposits refunded		7,972	8,181	7,000	(1,181)
Taxes		7,711	8,341	6,500	(1,841)
Power purchases		17,466	18,182	15,000	(3,182)
Miscellaneous		-	-	-	-
Transfer to special parks		-	-	-	-
Transfer to employee benefits		-	-	-	-
Transfer to economic development		-	-	-	-
Transfer to general		-	-	-	-
	$	225,377	176,404	503,310	326,906
Total Expenditures and Transfers Subject to Budget	$	225,377	176,404	503,310	326,906
Receipts Over (Under) Expenditures	$	71,821	162,276		
Unencumbered Cash, Beginning		140,410	212,231		
Unencumbered Cash, Ending	$	212,231	374,507		

CITY OF DIGHTON, KANSAS
Trash Utility 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)

SCHEDULE 2-12

		2011 Actual	2012 Actual	2012 Budget	Variance Over (Under)
Cash Receipts					
Net collection fees	$	89,400	94,031	90,000	4,031
Interest		-	-	-	-
Other income		-	-	-	-
Total Cash Receipts	$	89,400	94,031	90,000	4,031
Expenditures and Transfers Subject to Budget					
Personal services	$	-	-	-	-
Contractual services		86,845	90,250	98,245	7,995
Commodities		-	-	-	-
Capital outlay		-	-	-	-
Miscellaneous		-	-	-	-
	$	86,845	90,250	98,245	7,995
Total Expenditures and Transfers Subject to Budget	$	86,845	90,250	98,245	7,995
Receipts Over (Under) Expenditures	$	2,555	3,781		
Unencumbered Cash, Beginning		3,245	5,800		
Unencumbered Cash, Ending	$	5,800	9,581		

CITY OF DIGHTON, KANSAS
Sewer Maintenance Fund
Schedule of Receipts and Expenditures- Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Total for the Prior Year Ended December 31, 2011)

SCHEDULE 2-13

		2011 Actual	2012 Actual	2012 Budget	Variance- Over (Under)
Cash Receipts					
Net collection fees	$	70,518	75,639	80,000	(4,361)
Interest income		-	-	-	-
Miscellaneous		-	63	-	63
Total Cash Receipts	$	70,518	75,702	80,000	(4,298)
Expenditures and Transfers Subject to Budget					
Personal services	$	36,052	36,828	40,000	3,172
Contractual services		10,959	4,040	10,000	5,960
Commodities		6,031	3,886	10,000	6,114
Capital outlay		-	-	133,321	133,321
Miscellaneous		-	-	-	-
Transfer to Equipment Reserve		-	33,000	33,000	-
Transfer to Economic Development		33,000	-	-	-
	$	86,042	77,754	226,321	148,567
Total Expenditures and Transfers Subject to Budget	$	86,042	77,754	226,321	148,567
Receipts Over (Under) Expenditures	$	(15,524)	(2,052)		
Unencumbered Cash, Beginning		155,321	139,797		
Unencumbered Cash, Ending	$	139,797	137,745		

CITY OF DIGHTON, KANSAS
Detailed Schedule of Cash Receipts
Years Ended December 31, 2011 and 2012

SCHEDULE A-1

		2011 Actual	2012 Actual	2012 Budget	Variance-Over (Under)
General Operating Fund					
Taxes					
Ad valorem property tax	$	90,461	57,405	59,901	(2,496)
Motor vehicle & recreational vehicle tax		30,862	25,650	27,094	(1,444)
Back taxes		6,355	1,839	-	1,839
	$	127,678	84,894	86,995	(2,101)
Intergovernmental Revenue					
State revenue sharing	$	-	-	-	-
Liquor tax		1,749	1,778	-	1,778
Local sales tax		144,423	135,327	135,000	327
Local ad valorem tax reduction		-	-	-	-
	$	146,172	137,105	135,000	2,105
License, Permits, and Licenses					
Franchise tax	$	16,781	14,518	1,700	12,818
Fines, permits and licenses		27,037	19,123	16,000	3,123
Swimming pool		12,635	14,024	15,000	(976)
Dog & cat permits		-	-	-	-
	$	56,453	47,665	32,700	14,965
Fines, Forfeitures & Penalties					
City court fines	$	-	-	-	-
Use of Money and Property					
Interest income	$	4,790	3,330	10,000	(6,670)
Miscellaneous					
Reimbursements	$	1,187	423	12,000	(11,577)
Reimbursements - Housing Authority		4,200	-	17,000	(17,000)
Miscellaneous		9,778	2,511	17,000	(14,489)
Federal aid - Fire truck grant		3,700	-	-	-
State aid - emergency preparedness		-	-	-	-
Streetscape project -reimbursements		-	-	-	-
Transfer from electric		100,000	100,000	100,000	-
Transfer from water		-	-	-	-
Transfer from sewer		-	-	-	-
State (KDOT reimbursement)		-	-	-	-
	$	118,865	102,934	146,000	(43,066)
Total Cash Receipts	$	453,958	375,928	410,695	(34,767)

CITY OF DIGHTON, KANSAS
Detailed Schedule of Expenditures
Years Ended December 31, 2011 and 2012

		2011 Actual	2012 Actual	2012 Budget	Variance-Over (Under)
General Operating Fund					
General Operating Fund					
Personal services	$	92,184	96,983	104,500	7,517
Contractual services		13,931	15,057	20,000	4,943
Commodities		4,230	4,325	5,000	675
Capital outlay		2,316	1,500	2,000	500
Miscellaneous		175	550	1,000	450
	$	112,836	118,415	132,500	14,084
Street Department					
Personal services	$	35,984	36,998	45,000	8,002
Contractual services		10,984	11,853	10,000	(1,853)
Commodities		22,425	39,345	35,000	(4,345)
Capital outlay		30,808	79,866	109,866	30,000
	$	100,201	168,063	199,866	31,803
Fire Department					
Personal services	$	5,600	5,860	10,000	4,140
Contractual services		15,977	11,200	15,000	3,800
Commodities		2,409	4,534	10,000	5,466
Capital outlay		17,213	13,849	15,000	1,151
	$	41,199	35,443	50,000	14,556
Police Department					
Contractual services	$	125,000	165,000	165,000	-
Pool					
Personal services	$	22,071	28,277	30,000	1,723
Contractual services		4,585	5,582	5,000	(582)
Commodities		19,185	12,452	10,000	(2,452)
Capital outlay		-	-	-	-
	$	45,841	46,311	45,000	(1,311)
Municipal Court					
Personal services	$	5,400	5,400	7,000	1,600
Contractual services		582	583	500	(83)
Commodities		37	87	500	413
Capital outlay		-	-	-	-
	$	6,019	6,070	8,000	1,930
Housing					
Personal services	$	3,810	1,105	13,000	11,895
Contractual services		-	-	4,000	4,000
Supplement - housing		-	-	-	-
	$	3,810	1,105	17,000	15,895
Streetscape Project					
Contractual services	$	-	-	-	-

CITY OF DIGHTON, KANSAS
Detailed Schedule of Expenditures
Years Ended December 31, 2011 and 2012

General Operating Fund		2011 Actual	2012 Actual	2012 Budget	Variance-Over (Under)
K-96 Project					
Contractual services	$	-	-	-	-
	$	-	-	-	-
Beautification/Improvement					
Contractual services	$	2,267	6,249	5,000	(1,249)
Other Capital Projects		-	-	-	-
Commodities		2,638	4,753	5,000	247
	$	4,905	11,002	10,000	(1,002)
Total Expenditures	$	439,812	551,409	627,366	75,955

CITY OF DIGHTON, KANSAS
Schedule of Investments
December 31, 2012

SCHEDULE A-3

		Cost
First National Bank		
Certificate of Deposit #14085		$ 250,000
Certificate of Deposit #14086		250,000
	Total	$ 500,000

CITY OF DIGHTON, KANSAS
Comparison of Depository Security with
Balances on Deposit and Composition of Cash
December 31, 2012

SCHEDULE A-4

	FDIC Coverage*	Security Pledged	Total Coverage	Gross Bank Balance	Bank Balance Unsecured
First National Bank					
Operating account	$ 250,000	1,316,867	1,566,867	1,129,413	-
Petty Cash					-
Money Market account	122,271			122,271	-
Checking account				-	-
Municipal Court				841	-
Certificates of Deposit				500,000	-
Total				$ 1,752,526	-

Composition of Cash		
The First National Bank		
Balance per certificate	$ 1,129,413	
Add: transit deposits	-	
Less: outstanding checks	(172,654)	
		956,760
Investments		622,271
Petty Cash		
Balance per certificate		300
Checking Account		
Municipal Court	$ 841	
Less: outstanding checks	(591)	
Add Transit deposits	-	
		250
Total Available Cash		$ 1,579,581