

CITY OF KANOPOLIS, KANSAS

FINANCIAL STATEMENT AND INDEPENDENT AUDITORS' REPORT
December 31, 2012

CLUBINE AND RETTELE, CHARTERED
CERTIFIED PUBLIC ACCOUNTANTS
Salina, Kansas

CITY OF KANOPOLIS, KANSAS

FINANCIAL STATEMENT AND INDEPENDENT AUDITORS' REPORT
December 31, 2012

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CITY OF KANOPOLIS, KANSAS

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INDEPENDENT AUDITORS' REPORT

**CLUBINE &
RETTELE
CHARTERED**

Certified Public Accountants



Robert I. Clubine, CPA
David A. Rettele, CPA
Jay D. Langley, CPA, CGMA
Jon K. Bell, CPA
Leslie M. Corbett, CPA
Stacy J. Osner, CPA

Marci K. Fox, CPA
Linda A. Suelter, CPA
Valerie K. Linenberger, CPA
Johnna R. Vosseller, CPA

218 South Santa Fe
P.O. Box 2267
Salina, Kansas 67402-2267

Salina
785 / 825-5479
Salina Fax
785 / 825-2446

Ellsworth
785 / 472-3915
Ellsworth Fax
785 / 472-5478

To the Mayor and City Council
City of Kanopolis, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Kanopolis, Kansas, 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 2 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 2 of the financial statement, the financial statement is prepared by the City of Kanopolis 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 2 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 Kanopolis 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 Kanopolis 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 2.

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, schedules of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 1, 2, and 3 as listed in the table of contents) are presented for the purpose 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 2.

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-related municipal entity (Schedules 2 and 3 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 September 20, 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 2.

Clubine and Rettele, Chartered



Salina, Kansas
September 26, 2013

CITY OF KANOPOLIS, 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	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General Fund						
General	\$ 129,235.97	\$ 187,734.12	\$ 190,645.35	\$ 126,324.74	\$ 2,069.96	\$ 128,394.70
Special Purpose Funds						
Employee Benefits	27,464.23	9,178.13	15,871.35	20,771.01	375.09	21,146.10
Library	430.86	9,102.66	10,470.54	(937.02)	111.74	(825.28)
Noxious Weed	1,345.47	228.14	474.19	1,099.42	-	1,099.42
Special Highway	9.52	12,719.87	12,728.00	1.39	-	1.39
Recreation	3,789.12	1,579.94	1,162.28	4,206.78	201.30	4,408.08
Cemetery	1,629.44	2,620.47	2,437.94	1,811.97	27.96	1,839.93
Municipal Equipment	42,513.80	17,241.50	26,803.56	32,951.74	-	32,951.74
Municipal Improvement	34,090.61	17,550.00	5,122.75	46,517.86	49.95	46,567.81
Capital Projects	640.00	-	253.00	387.00	-	387.00
Business Funds:						
Enterprise Funds						
Solid Waste Disposal	10,592.05	39,539.75	39,634.93	10,496.87	3,321.50	13,818.37
Water Utility	50,899.80	105,173.14	84,415.93	71,657.01	1,459.31	73,116.32
Sewer Utility	66,212.88	41,225.48	40,224.34	67,214.02	269.53	67,483.55
Sewer Revolving Loan	13,543.74	6,900.00	5,878.54	14,565.20	-	14,565.20
	<u>382,397.49</u>	<u>450,793.20</u>	<u>436,122.70</u>	<u>397,067.99</u>	<u>7,886.34</u>	<u>404,954.33</u>
Related Municipal Entities:						
Public Library	34,162.81	6,460.76	11,283.96	29,339.61	-	29,339.61
Total Reporting Entity	<u>\$ 416,560.30</u>	<u>\$ 457,253.96</u>	<u>\$ 447,406.66</u>	<u>\$ 426,407.60</u>	<u>\$ 7,886.34</u>	<u>\$ 434,293.94</u>
Composition of Cash:				Certificates of Deposit		\$ 247,010.76
				Checking Accounts		33,150.57
				Savings Accounts		124,541.00
				Petty Cash		252.00
				Total Related Municipal Entities		29,339.61
				Total Reporting Entity		<u>\$ 434,293.94</u>

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

CITY OF KANOPOLIS, KANSAS

NOTES TO FINANCIAL STATEMENT

December 31, 2012

Note 1 Reporting Entity

The City of Kanopolis is a municipal corporation governed by a citizen elected mayor and five council members. The financial statement present the City of Kanopolis (the primary government) and its related municipal entity. The related municipal entity is included in the city's reporting entity because of the significance of its operational or financial relationships with the City.

Blended Presented Related Municipal Entities. The financial statement include the financial data of the blended presented related municipal entity. The related municipal entity is not reported separately to emphasize that it is essentially an extension of the city. The governing board is appointed by the mayor of the City.

Public Library The City of Kanopolis operates the public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City and the City annually levies a tax for the library.

Note 2 Summary of Significant Accounting Policies

Regulatory Basis of Accounting. 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.

Fund Descriptions. The following types of funds comprise the financial activities of the City for the year ended December 31, 2012:

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 Projects and tax levies for long-term debt) that are intended for a specified purpose.

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.)

CITY OF KANOPOLIS, KANSAS

NOTES TO FINANCIAL STATEMENT (Cont.)
December 31, 2012

Note 2 Summary of Significant Accounting Policies (Cont.)

Departure from Accounting Principles Generally Accepted in the United States of America.

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

Note 3 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. 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 a 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 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 City 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.

CITY OF KANOPOLIS, KANSAS

NOTES TO FINANCIAL STATEMENT (Cont.)
December 31, 2012

Note 3 Budgetary Information (Continued)

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds:

Municipal Equipment Fund Municipal 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.

Note 4 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 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.

Custodial credit risk - deposit. 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%. The City has not designated a "peak period." All deposits were legally secured at December 31, 2012.

Deposits. At December 31, 2012, the City's carrying amount of deposits was \$434,142.94 and the bank balance was \$440,765.19. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$256,050.58 was covered by federal depository insurance, and the remaining \$184,714.61 was collateralized with securities held by the pledging financial institutions agents in the City's name.

Note 5 Interfund Transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Municipal Improvement Fund	K.S.A. 12-1,117	\$ 15,000.00
Water Utility Fund	Municipal Equipment Fund	K.S.A. 12-110d	15,000.00
Sewer Utility Fund	Sewer Revolving Loan Fund	K.S.A. 12-631o	6,900.00

CITY OF KANOPOLIS, KANSAS

NOTES TO FINANCIAL STATEMENT (Cont.)
December 31, 2012

Note 6 Defined Benefit Pension Plan

Plan Description. On April 9, 1997, the City passed ordinance 651 establishing an IRS Code Section 457 plan. This is a voluntary deferred compensation plan where employees may elect to defer current federal and state income taxes while investing for future retirement.

Note 7 Compensated Absences

Vacation Leave. The City provides vacation leave to full-time employees. For the first five years of service, employees earn one day per month, for a total of 12 days per year. After five years of service, employees earn one and one fourth days per month, for a total of 15 days per year. The maximum accumulation employees may accrue should not exceed 120 hours (15 days) of vacation. Any earned, but unused leave for any permanent employee leaving the service of the City shall be compensated at the employee's hourly rate.

Sick Leave. The City provides sick leave for full-time employees at the rate of one day per month of continuous service with the City. Sick leave may be accumulated but not taken until such employee has completed three continual months of service. Employees may accumulate sick leave up to a maximum of 240 hours (30 days). Sick leave credits are considered as having cash value of one-half time of sick days at the employee's hourly rate if employee terminates at retirement in good standing.

Note 8 Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees under age 65 to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of the subsidy has not been quantified in these financial statements.

The City participates in State Continuation, which makes health care benefits available to eligible former employees, and may be covered up to 18 months. Certain requirements are outline by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

Note 9 Subsequent Events

The City's management has evaluated events and transactions occurring after December 31, 2012 through September 26, 2013. The aforementioned date represents the date the financial statements were available to be issued.

Note 10 Compliance With Statutes

There was a cash basis violation in the Library Fund of \$937.02, and there was a budget violation in the Library Fund of \$188.54.

CITY OF KANOPOLIS, KANSAS

NOTES TO FINANCIAL STATEMENT (Cont.)
December 31, 2012

Note 11 Long-Term Debt

Changes in long-term liabilities for the municipality 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	Net Change	Balance End of Year	Service Fee and Interest Paid
Capital Leases										
Fire Station	1.00%	9/1/2000	\$ 50,000.00	12/10/2019	\$ 21,203.90	\$ -	\$ 2,558.90	\$ -	\$ 18,645.00	\$ 205.66
Revolving Loan	2.83%	10/28/2004	120,000.00	9/1/2025	<u>67,563.09</u>	<u>-</u>	<u>3,994.57</u>	<u>-</u>	<u>63,568.52</u>	<u>1,883.97</u>
Total Capital Leases					<u>\$ 88,766.99</u>	<u>\$ -</u>	<u>\$ 6,553.47</u>	<u>\$ -</u>	<u>\$ 82,213.52</u>	<u>\$ 2,089.63</u>

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

	Year							Total
	2013	2014	2015	2016	2017	2018-2022	2023-2025	
Principal:								
Capital Leases								
Fire Station	\$ 2,584.56	\$ 2,610.47	\$ 2,636.64	\$ 2,663.06	\$ 2,689.77	\$ 5,460.50	\$ -	\$ 18,645.00
Revolving Loan	<u>4,108.42</u>	<u>4,225.51</u>	<u>4,345.93</u>	<u>4,469.80</u>	<u>4,597.18</u>	<u>25,027.53</u>	<u>16,794.15</u>	<u>63,568.52</u>
Total Capital Leases	<u>6,692.98</u>	<u>6,835.98</u>	<u>6,982.57</u>	<u>7,132.86</u>	<u>7,286.95</u>	<u>30,488.03</u>	<u>16,794.15</u>	<u>82,213.52</u>
Interest:								
Capital Leases								
Fire Station	180.00	154.09	127.92	101.50	74.79	68.43	-	706.73
Revolving Loan	<u>1,613.75</u>	<u>1,507.01</u>	<u>1,397.22</u>	<u>1,284.30</u>	<u>1,168.16</u>	<u>3,979.56</u>	<u>767.12</u>	<u>11,717.12</u>
Total Interest	<u>1,793.75</u>	<u>1,661.10</u>	<u>1,525.14</u>	<u>1,385.80</u>	<u>1,242.95</u>	<u>4,047.99</u>	<u>767.12</u>	<u>12,423.85</u>
Service Fee:								
Revolving Loan	<u>156.37</u>	<u>146.02</u>	<u>135.39</u>	<u>124.44</u>	<u>113.20</u>	<u>385.61</u>	<u>74.35</u>	<u>1,135.38</u>
Total Principal, Interest and Service Fee	<u>\$ 8,643.10</u>	<u>\$ 34,921.63</u>	<u>\$ 17,635.62</u>	<u>\$ 95,772.75</u>				

CITY OF KANOPOLIS, KANSAS

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2012

CITY OF KANOPOLIS, 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)
Governmental Type Funds:					
General Fund					
General	\$ 286,042.00	\$ -	\$ 286,042.00	\$ 190,645.35	\$ (95,396.65)
Special Purpose Funds					
Employee Benefits	82,928.00	-	82,928.00	15,871.35	(67,056.65)
Library	10,282.00	-	10,282.00	10,470.54	188.54
Noxious Weed	1,603.00	-	1,603.00	474.19	(1,128.81)
Special Highway	14,304.00	-	14,304.00	12,728.00	(1,576.00)
Recreation	8,336.00	-	8,336.00	1,162.28	(7,173.72)
Cemetery	2,872.00	-	2,872.00	2,437.94	(434.06)
Business Funds:					
Enterprise Funds					
Solid Waste Disposal	53,317.00	-	53,317.00	39,634.93	(13,682.07)
Water Utility	167,989.00	-	167,989.00	84,415.93	(83,573.07)
Sewer Utility	123,104.00	-	123,104.00	40,224.34	(82,879.66)
Sewer Revolving Loan	20,444.00	-	20,444.00	5,878.54	(14,565.46)

CITY OF KANOPOLIS, KANSAS
General Fund

Schedule 2

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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 70,172.22	\$ 72,883.81	\$ 74,448.00	\$ (1,564.19)
Delinquent	2,724.59	3,231.54	1,117.00	2,114.54
Motor Vehicle	17,233.64	16,889.82	17,717.00	(827.18)
Recreational Vehicle	488.57	434.26	359.00	75.26
16/20M Vehicles	200.68	213.86	256.00	(42.14)
Sales and Use Tax	37,540.53	43,661.86	37,000.00	6,661.86
State Aid	1,723.81	2,041.04	1,051.00	990.04
Franchise	31,732.11	32,109.83	35,000.00	(2,890.17)
Licenses and Permits	766.00	723.00	1,225.00	(502.00)
Fines, Forfeitures and Penalties	3,957.63	1,225.00	670.00	555.00
Interest	1,002.49	648.81	600.00	48.81
Rural Fire	11,938.46	5,000.00	2,755.00	2,248.00
Other	5,884.81	8,671.29	10,350.00	(1,678.71)
Total Cash Receipts	<u>185,365.54</u>	<u>187,734.12</u>	<u>\$ 182,548.00</u>	<u>\$ 5,186.12</u>
Expenditures				
Administration				
Personal Services	27,848.77	60,342.81	\$ 22,000.00	\$ 38,342.81
Contractual Services	4,457.88	19,994.01	23,820.00	(3,825.99)
Commodities	22,710.42	4,165.89	11,950.00	(7,784.11)
Capital Outlay	168.73	16,153.38	67,137.00	(50,983.62)
Smoky Hill Development Corporation	3,850.00	-	-	-
Lease Principal	2,533.50	2,558.90	2,559.00	(0.10)
Lease Interest	231.06	205.66	206.00	(0.34)
Fire	13,562.26	14,812.43	12,520.00	2,292.43
Police	13,359.39	2,699.08	15,100.00	(12,400.92)
Park	2,432.15	1,692.71	2,890.00	(1,197.29)
Street	72,606.96	38,812.46	85,500.00	(46,687.54)
Street Lighting	13,336.10	13,944.80	12,360.00	1,584.80
Neighborhood Revitalization Rebate	273.63	263.22	-	263.22
Operating Transfers	15,000.00	15,000.00	30,000.00	(15,000.00)
Total Expenditures	<u>192,370.85</u>	<u>190,645.35</u>	<u>\$ 286,042.00</u>	<u>\$ (95,396.65)</u>
Receipts Over (Under) Expenditures	(7,005.31)	(2,911.23)		
Unencumbered Cash, Beginning	<u>136,241.28</u>	<u>129,235.97</u>		
Unencumbered Cash, Ending	<u>\$ 129,235.97</u>	<u>\$ 126,324.74</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 6,925.42	\$ 7,056.81	\$ 7,209.00	\$ (152.19)
Delinquent	329.18	385.09	275.00	110.09
Motor Vehicle	2,133.95	1,666.89	1,748.00	(81.11)
Recreational Vehicle	60.49	42.86	36.00	6.86
16/20M Vehicles	23.90	26.48	25.00	1.48
Insurance	13,575.15	-	-	-
Employee Withholdings	44,657.79	-	50,725.00	(50,725.00)
Total Cash Receipts	<u>67,705.88</u>	<u>9,178.13</u>	<u>\$ 60,018.00</u>	<u>\$ (50,839.87)</u>
Expenditures				
Neighborhood Revitalization Rebate	27.00	25.49	\$ -	\$ 25.49
Employee Benefits	64,099.28	15,845.86	82,928.00	(67,082.14)
Total Expenditures	<u>64,126.28</u>	<u>15,871.35</u>	<u>\$ 82,928.00</u>	<u>\$ (67,056.65)</u>
Receipts Over (Under) Expenditures	3,579.60	(6,693.22)		
Unencumbered Cash, Beginning	<u>23,884.63</u>	<u>27,464.23</u>		
Unencumbered Cash, Ending	<u>\$ 27,464.23</u>	<u>\$ 20,771.01</u>		

Library 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 6,925.42	\$ 7,056.81	\$ 10,282.00	\$ (3,225.19)
Delinquent	254.94	314.92	200.00	114.92
Motor Vehicle	1,707.05	1,666.89	1,748.00	(81.11)
Recreational Vehicle	48.39	42.86	36.00	6.86
16/20M Vehicles	18.77	21.18	25.00	(3.82)
Total Cash Receipts	<u>8,954.57</u>	<u>9,102.66</u>	<u>\$ 12,291.00</u>	<u>\$ (3,188.34)</u>
Expenditures				
Personal Services	7,260.50	8,538.27	\$ 7,000.00	\$ 1,538.27
Contractual Services	1,025.73	37.78	65.00	(27.22)
Capital Outlay	346.60	-	1,185.00	(1,185.00)
Commodities	272.56	1,869.00	2,032.00	(163.00)
Neighborhood Revitalization Rebate	27.00	25.49	-	25.49
Total Expenditures	<u>8,932.39</u>	<u>10,470.54</u>	<u>\$ 10,282.00</u>	<u>\$ 188.54</u>
Receipts Over (Under) Expenditures	22.18	(1,367.88)		
Unencumbered Cash, Beginning	<u>408.68</u>	<u>430.86</u>		
Unencumbered Cash, Ending	<u>\$ 430.86</u>	<u>\$ (937.02)</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Noxious Weed 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 173.57	\$ 176.88	\$ 1,603.00	\$ (1,426.12)
Delinquent	6.37	7.89	10.00	(2.11)
Motor Vehicle	42.90	41.78	44.00	(2.22)
Recreational Vehicle	1.21	1.06	1.00	0.06
16/20M Vehicles	0.47	0.53	1.00	(0.47)
Total Cash Receipts	<u>224.52</u>	<u>228.14</u>	<u>\$ 1,659.00</u>	<u>\$ (1,430.86)</u>
Expenditures				
Commodities	314.05	473.55	\$ 1,603.00	\$ (1,129.45)
Neighborhood Revitalization Rebate	0.68	0.64	-	0.64
Total Expenditures	<u>314.73</u>	<u>474.19</u>	<u>\$ 1,603.00</u>	<u>\$ (1,128.81)</u>
Receipts Over (Under) Expenditures	(90.21)	(246.05)		
Unencumbered Cash, Beginning	<u>1,435.68</u>	<u>1,345.47</u>		
Unencumbered Cash, Ending	<u>\$ 1,345.47</u>	<u>\$ 1,099.42</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

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 December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid	<u>\$ 12,995.54</u>	<u>\$ 12,719.87</u>	<u>\$ 13,800.00</u>	<u>\$ (1,080.13)</u>
Expenditures				
Contractual Services	<u>12,990.00</u>	<u>12,728.00</u>	<u>\$ 14,304.00</u>	<u>\$ (1,576.00)</u>
Receipts Over (Under) Expenditures	5.54	(8.13)		
Unencumbered Cash, Beginning	<u>3.98</u>	<u>9.52</u>		
Unencumbered Cash, Ending	<u>\$ 9.52</u>	<u>\$ 1.39</u>		

Recreation 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 1,732.22	\$ 168.26	\$ 8,336.00	\$ (8,167.74)
Delinquent	63.72	78.73	50.00	28.73
Motor Vehicle	426.87	407.36	437.00	(29.64)
Recreational Vehicle	12.10	20.29	9.00	11.29
16/20M Vehicles	4.69	5.30	6.00	(0.70)
Other	1,110.00	900.00	2,065.00	(1,165.00)
Total Cash Receipts	3,349.60	1,579.94	\$ 10,903.00	\$ (9,323.06)
Expenditures				
Contractual Services	421.50	79.50	\$ 500.00	\$ (420.50)
Commodities	1,017.56	1,038.88	600.00	438.88
Capital Outlay	176.00	43.26	7,236.00	(7,192.74)
Neighborhood Revitalization Rebate	6.75	0.64	-	0.64
Total Expenditures	1,621.81	1,162.28	\$ 8,336.00	\$ (7,173.72)
Receipts Over (Under) Expenditures	1,727.79	417.66		
Unencumbered Cash, Beginning	2,061.33	3,789.12		
Unencumbered Cash, Ending	\$ 3,789.12	\$ 4,206.78		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Cemetery 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 1,732.22	\$ 1,765.10	\$ 2,872.00	\$ (1,106.90)
Delinquent	49.08	72.42	50.00	22.42
Motor Vehicle	426.87	416.94	437.00	(20.06)
Recreational Vehicle	12.10	10.71	9.00	1.71
16/20M Vehicles	4.69	5.30	6.00	(0.70)
Other	100.00	-	50.00	(50.00)
Sale of Lots	1,600.00	350.00	500.00	(150.00)
Total Cash Receipts	<u>3,924.96</u>	<u>2,620.47</u>	<u>\$ 3,924.00</u>	<u>\$ (1,303.53)</u>
Expenditures				
Personal Services	1,198.50	1,502.62	\$ 2,872.00	\$ (1,369.38)
Contractual Services	767.20	928.94	-	928.94
Neighborhood Revitalization Rebate	6.75	6.38	-	6.38
Total Expenditures	<u>1,972.45</u>	<u>2,437.94</u>	<u>\$ 2,872.00</u>	<u>\$ (434.06)</u>
Receipts Over (Under) Expenditures	1,952.51	182.53		
Unencumbered Cash, Beginning	<u>(323.07)</u>	<u>1,629.44</u>		
Unencumbered Cash, Ending	<u>\$ 1,629.44</u>	<u>\$ 1,811.97</u>		

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

Schedule 2

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Operating Transfers	\$ 15,000.00	\$ 15,000.00
Insurance Claim	-	2,241.50
Total Cash Receipts	<u>15,000.00</u>	<u>17,241.50</u>
 Expenditures		
Capital Outlay	<u>4,663.43</u>	<u>26,803.56</u>
Receipts Over (Under) Expenditures	10,336.57	(9,562.06)
Unencumbered Cash, Beginning	<u>32,177.23</u>	<u>42,513.80</u>
Unencumbered Cash, Ending	<u>\$ 42,513.80</u>	<u>\$ 32,951.74</u>

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

Schedule 2

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ 15,000.00	\$ 15,000.00
Other	<u>1,065.00</u>	<u>2,550.00</u>
Total Cash Receipts	<u>16,065.00</u>	<u>17,550.00</u>
 Expenditures		
Contractual	<u>30,196.76</u>	<u>5,122.75</u>
Receipts Over (Under) Expenditures	(14,131.76)	12,427.25
Unencumbered Cash, Beginning	<u>48,222.37</u>	<u>34,090.61</u>
Unencumbered Cash, Ending	<u>\$ 34,090.61</u>	<u>\$ 46,517.86</u>

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

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ <u>3,788.00</u>	\$ <u>-</u>
Expenditures	<u>3,148.00</u>	<u>253.00</u>
Receipts Over (Under) Expenditures	640.00	(253.00)
Unencumbered Cash, Beginning	<u>-</u>	<u>640.00</u>
Unencumbered Cash, Ending	<u>\$ 640.00</u>	<u>\$ 387.00</u>

CITY OF KANOPOLIS, KANSAS

Schedule 2

Solid Waste Disposal 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
User Fees	<u>\$ 39,464.00</u>	<u>\$ 39,539.75</u>	<u>\$ 42,540.00</u>	<u>\$ (3,000.25)</u>
Expenditures				
Personal Services	711.00	856.43	\$ 725.00	\$ 131.43
Contractual Services	<u>38,703.50</u>	<u>38,778.50</u>	<u>52,592.00</u>	<u>(13,813.50)</u>
Total Expenditures	<u>39,414.50</u>	<u>39,634.93</u>	<u>\$ 53,317.00</u>	<u>\$ (13,682.07)</u>
Receipts Over (Under) Expenditures	49.50	(95.18)		
Unencumbered Cash, Beginning	<u>10,542.55</u>	<u>10,592.05</u>		
Unencumbered Cash, Ending	<u>\$ 10,592.05</u>	<u>\$ 10,496.87</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Water 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
User Fees	\$ 93,256.23	\$ 98,180.84	\$ 90,750.00	\$ 7,430.84
Sales Tax	402.50	406.16	355.00	51.16
Other	1,056.37	4,300.00	4,575.00	(275.00)
Interest	1,716.32	1,158.38	3,645.00	(2,486.62)
Reimbursed Expense	-	1,127.76	7,325.00	(6,197.24)
Total Cash Receipts	<u>96,431.42</u>	<u>105,173.14</u>	<u>\$ 106,650.00</u>	<u>\$ (1,476.86)</u>
Expenditures				
Personal Services	47,175.74	34,242.00	\$ 44,000.00	\$ (9,758.00)
Contractual Services	2,908.43	10,600.98	26,250.00	(15,649.02)
Commodities	23,433.76	19,692.82	20,200.00	(507.18)
Capital Outlay	2,611.09	-	73,829.00	(73,829.00)
Customer Refunds	505.00	980.00	850.00	130.00
Interest	-	21.77	-	21.77
Other	2,866.12	3,878.36	2,860.00	1,018.36
Inner Fund Transfers	15,000.00	15,000.00	-	15,000.00
Total Expenditures	<u>94,500.14</u>	<u>84,415.93</u>	<u>\$ 167,989.00</u>	<u>\$ (83,573.07)</u>
Receipts Over (Under) Expenditures	1,931.28	20,757.21		
Unencumbered Cash, Beginning	<u>48,968.52</u>	<u>50,899.80</u>		
Unencumbered Cash, Ending	<u>\$ 50,899.80</u>	<u>\$ 71,657.01</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Sewer 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
User Fees	\$ 40,618.44	\$ 40,495.00	\$ 45,000.00	\$ (4,505.00)
Other	34.97	652.62	200.00	452.62
Interest	69.81	77.86	450.00	(372.14)
Total Cash Receipts	<u>40,723.22</u>	<u>41,225.48</u>	<u>\$ 45,650.00</u>	<u>\$ (4,424.52)</u>
Expenditures				
Personal Services	20,627.29	21,743.46	\$ 16,700.00	\$ 5,043.46
Contractual Services	3,796.13	3,541.67	2,750.00	791.67
Commodities	3,083.16	5,349.26	2,400.00	2,949.26
Capital Outlay	2,917.26	2,689.95	94,354.00	(91,664.05)
Operating Transfers	6,900.00	6,900.00	6,900.00	-
Total Expenditures	<u>37,323.84</u>	<u>40,224.34</u>	<u>\$ 123,104.00</u>	<u>\$ (82,879.66)</u>
Receipts Over (Under) Expenditures	3,399.38	1,001.14		
Unencumbered Cash, Beginning	<u>62,813.50</u>	<u>66,212.88</u>		
Unencumbered Cash, Ending	<u>\$ 66,212.88</u>	<u>\$ 67,214.02</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 2

Sewer Revolving Loan

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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 6,900.00	\$ 6,900.00	\$ 6,900.00	\$ -
Expenditures				
Principal	3,883.87	3,994.57	\$ 3,995.00	\$ (0.43)
Interest	1,818.46	1,717.54	1,884.00	(166.46)
Service Fee	176.21	166.43	-	166.43
Debt Service Reserve	-	-	14,565.00	(14,565.00)
Total Expenditures	<u>5,878.54</u>	<u>5,878.54</u>	<u>20,444.00</u>	<u>\$ (14,565.46)</u>
Receipts Over (Under) Expenditures	1,021.46	1,021.46		
Unencumbered Cash, Beginning	<u>12,522.28</u>	<u>13,543.74</u>		
Unencumbered Cash, Ending	<u>\$ 13,543.74</u>	<u>\$ 14,565.20</u>		

CITY OF KANOPOLIS, KANSAS

Schedule 3

Public Library

Related Municipal Entity

Schedule of Receipts and Expenditures - Actual (Regulatory Basis)

For the Year Ended December 31, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
State Aid	\$ -	
Central Kansas Library System	3,054.75	4,023.00
Grants	-	1,210.00
Interest	228.79	135.25
Other	24,800.32	1,092.51
Total Cash Receipts	<u>28,083.86</u>	<u>6,460.76</u>
Expenditures		
Books and periodicals	3,009.88	1,980.57
Capital Outlay	10,148.64	5,368.05
Supplies	1,511.38	2,611.27
Other	14,845.85	1,324.07
Total Expenditures	<u>29,515.75</u>	<u>11,283.96</u>
Receipts Over (Under) Expenditures	(1,431.89)	(4,823.20)
Unencumbered Cash, Beginning	<u>35,594.70</u>	<u>34,162.81</u>
Unencumbered Cash, Ending	<u>\$ 34,162.81</u>	<u>\$ 29,339.61</u>