

THE CITY OF SEDAN, KANSAS

FINANCIAL STATEMENT

December 31, 2012

THE CITY OF SEDAN, KANSAS
FINANCIAL STATEMENT
For the Year Ending December 31, 2012

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**THE CITY OF SEDAN, KANSAS
FINANCIAL STATEMENT
For the Year Ending December 31, 2012**

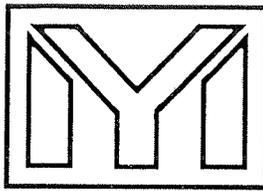
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YERKES & MICHELS, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANTS

John D. Carroll, CPA
Carmen R. Duroni, CPA

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American Institute of Certified Public Accountants
Kansas Society of Certified Public Accountants
An Independent C.P.A. Firm

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor
and City Council
City of Sedan, Kansas
109 N Chautauqua
Sedan, KS 67361

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Sedan, Kansas, a Municipal Financial Reporting Entity 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 applicable audit requirements of the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit 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 1B of the financial statement, the financial statement is prepared by the City of Sedan, 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 1B 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 effects 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 Sedan, Kansas, as of December 31, 2012, or changes in financial position or 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 Sedan, 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 1B.

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 and budget – related municipal entities, (Schedules 1, 2, and 3 as listed in the table of contents) are presented for 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 related 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 2012 supplementary

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 1B.

Yerkes & Michels
YERKES & MICHELS, CPA, LLC
Independence, Kansas

July 25, 3013

THE CITY OF SEDAN, KANSAS
SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH

Regulatory Basis

For the Year Ended December 31, 2012

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance	
Governmental Type Funds:								
General	\$ 102,217.91	\$ -	\$ 462,343.27	\$ 479,686.48	\$ 84,874.70	\$ 17,058.87	\$ 101,933.57	Governmental Type Funds: General
Special Purpose Library Fund	427.82		20,420.33	20,848.15	-	1,978.79	1,978.79	Special Purpose Library Fund
Special Street and Highway Fund	18,304.56		28,791.32	24,109.49	22,986.39		22,986.39	Spec.Str. & Hwy.Fund
Employee Benefit Fund	23,086.64		108,293.84	131,142.24	238.24	12,995.37	13,233.61	Employee Ben.Fund
Special Equipment Fund	7,212.68		3,049.10	5,851.91	4,409.87		4,409.87	Special Equipment Fund
Special Park Fund	2,144.54				2,144.54		2,144.54	Special Park Fund
Municipal Equipment Fund	10,485.78			5,535.56	4,950.22		4,950.22	Municipal Equipment Fund
Business Funds:								
Water Fund	293,253.91		415,139.18	313,557.57	394,835.52	22,683.16	417,518.68	Business Funds: Water Fund
Sewer Fund	72,172.70		126,703.21	98,493.05	100,382.86	797.85	101,180.71	Bond Reserve Fund
TOTAL PRIMARY GOVERNMENT	\$ 529,306.54	\$ -	\$ 1,164,740.25	\$ 1,079,224.45	\$ 614,822.34	\$ 55,514.04	\$ 670,336.38	TOTAL PRIMARY GOVERNMENT
Related Municipal Entities								
Sedan Public Library	41,472.04		30,663.61	32,391.99	39,743.66		39,743.66	Related Municipal Entities Sedan Public Library
Emmitt Kelly Museum	10,370.36		6,995.71	12,659.37	4,706.70		4,706.70	Emmitt Kelly Museum
TOTAL REPORTING ENTITY	\$ 581,148.94	\$ -	\$ 1,202,399.57	\$ 1,124,275.81	\$ 659,272.70	\$ 55,514.04	\$ 714,786.74	TOTAL REPORTING ENTITY

THE CITY OF SEDAN, KANSAS
SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
Regulatory Basis

For the Year Ended December 31, 2012

COMPOSITION OF CASH		
Cash on Hand		\$ 250.00
First National Bank, Sedan, Kansas		
Checking Account No. 100810	435.00	
Checking Account No. 258685	1,597.26	
Savings Account No. 456934	217.18	
Savings Account No. 454141	652.11	
Money Market Account No. 500119	336,485.22	
Certificate of Deposit No. 13150	<u>120,000.00</u>	\$ 459,386.77
Bank of Sedan, Sedan, Kansas		
Money Market Account No. 1486	\$ 10,699.61	
Certificate of Deposit No. 5605	\$ 150,000.00	
Certificate of Deposit No. 5605	<u>50,000.00</u>	<u>210,699.61</u>
TOTAL PRIMARY GOVERNMENT		\$ 670,336.38
Related Municipal Entities		
Sedan Public Library		
First National Bank, Sedan, Kansas		
Checking Account No. 24439	\$ 39.02	
Checking Account No. 225920	10.38	
Savings Account No. 448346	4,800.89	
Money Market Account No. 502464	6,239.87	
Certificate of Deposit No. 12030	11,000.00	
Certificate of Deposit No. 12340	<u>17,653.50</u>	<u>39,743.66</u>
Ermitt Kelly Museum		
First National Bank, Sedan, Kansas		
Checking Account No. 208696	\$ 2,444.87	
Savings Account No. 299372	709.87	
Money Market Account No. 512699	<u>1,551.96</u>	<u>4,706.70</u>
TOTAL REPORTING ENTITY		<u>\$ 714,786.74</u>

THE NOTES TO THE FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1A. FINANCIAL REPORTING ENTITY

The City of Sedan is a municipal corporation under the laws of the State of Kansas and is governed by an elected Mayor-Council form of government. The financial statement of the reporting entity includes those of the City of Sedan (the primary government) and its related municipal entities. The related municipal entities discussed below in NOTE 1E are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

1B. BASIS OF PRESENTATION AND BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles generally accepted in the United State of America. The 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 municipality 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.

The accounts of the reporting entity are organized into funds, each of which is considered to be separate accounting entities.

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

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

The following types of funds comprise the financial activities of The City of Sedan, Kansas, for the year 2012:

GOVERNMENTAL FUNDS

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

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

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

BUSINESS FUNDS

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

1D. REIMBURSEMENTS

The City of Sedan, Kansas records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

1E. RELATED MUNICIPAL ENTITIES

The Related Municipal Entities referred to in the financial statement includes the financial data of the entities shown below. These Related Municipal Entities are reported separately to emphasize that they are legally separate from the City.

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

1E. RELATED MUNICIPAL ENTITIES (cont'd)

Sedan Public Library – The City's public library is governed by a City-appointed board. It is fiscally dependent on the City for the majority of its revenue.

The Emmett Kelly Museum is governed by a City appointed board, and the City may exercise control over its operations. The City provides an appropriation to the museum each year.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2A. 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), debt service 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. The city did not amend the 2012 budget.

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

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (cont'd)

2A. BUDGETARY INFORMATION (cont'd)

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 budgeted expenditure authority lapses at year-end.

A legal operating budget is not required the following special purpose fund: Municipal Equipment Fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by internal spending limits established by the governing body.

2B. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL MATTERS

Management is not aware of any violations of compliance with Kansas Statutes or violations of other finance related legal matters.

NOTE 3 - DEPOSITS AND INVESTMENTS

At December 31, 2012, the City had no 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.

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 3 - DEPOSITS AND INVESTMENTS (cont'd)

Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%.

At December 31, 2012, the carrying amount of the City's deposits, including certificates of deposit, was \$670,086.38. The bank balance was \$675,704.56. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by two banks, resulting in a concentration of credit risk. Of the bank balance \$460,699.61 was covered by FDIC insurance, and \$215,004.95 was collateralized by pledged securities held by the pledging financial institution's agents in the City's name.

At year-end the carrying amount of the Sedan Public Library deposits, including certificates of deposit was \$39,743.66. The bank balance was \$40,042.39. All of the bank balance was covered by FDIC insurance.

At year-end the carrying amount of the Emmett Kelly Museum deposits, was \$4,706.70. The bank balance was \$4,756.20. All of the bank balance was covered by FDIC insurance.

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.

NOTE 4 – LONG-TERM DEBT

SEE SCHEDULE ON PAGES 13 & 14.

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 5 - DEFINED BENEFIT PENSION PLAN

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS). KPERS is part of 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 (only one is issued) that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, Kansas 66603-3803) 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. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. 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. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

NOTE 6 – VACATION, SICK LEAVE AND OTHER COMPENSATED ABSENCES

City employees are entitled to certain compensated absences based on their length of employment. Compensated absences do not accumulate, are lost if not used, and are recorded as expenditures when they are paid.

NOTE 7 – OTHER POST EMPLOYMENT BENEFITS

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

THE CITY OF SEDAN, KANSAS
NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 8 – INTERFUND TRANSFERS

There were no operating transfers in 2012.

NOTE 9 - RISK MANAGEMENT

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 for which the City carries commercial insurance. Settlements of claims have not exceeded coverage during the past three fiscal years.

NOTE 10 – USE OF ESTIMATES

The preparation of regulatory basis financial statements requires management to make estimates and assumptions that affect the reported amounts of expenditures during the audit period, encumbrances outstanding, and disclosure of contingencies at the end of the audit period. Actual results could differ from the estimates.

THE CITY OF SEDAN, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 4 - LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2012 were as follows:

Issue	Interest Rates	Date of Issue	Amount Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
LOAN										
KDHE - C20 1268	3.34%	6/1/94	236,000.00	9/1/15	60,378.36		14,353.08	(14,353.08)	46,025.28	1,755.74
KDHE -C20 1496	3.19%	8/23/99	702,600.00	9/1/20	354,002.87		34,541.14	(34,541.14)	319,461.73	10,155.81
CAPITAL LEASES										
Street Sweeper	5.50%	9/10/99	27,000.00	9/10/12	7,172.24		7,172.24	(7,172.24)	-	165.37
Backhoe Loader	3.55%	8/10/11	40,514.00	9/10/16	40,514.00		7,538.58	(7,538.58)	32,975.42	1,461.88
					\$ 462,067.47	\$ -	\$ 63,605.04	\$ (63,605.04)	\$ 398,462.43	\$ 13,538.80

THE CITY OF SEDAN, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2012

NOTE 4 - LONG-TERM DEBIT (cont'd)

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

	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	2018-2020	TOTAL
PRINCIPAL							
Loan							
KDHE - C20 1268	14,836.48	15,336.15	15,852.66	-	-	-	46,025.29
KDHE -C20 1496	35,651.78	36,798.14	37,981.37	39,202.64	40,463.18	129,364.62	319,461.73
Capital Leases							
Backhoe Loader	7,810.60	8,092.42	8,384.41	8,687.99	-	-	32,975.42
TOTAL PRINCIPAL	<u>\$ 58,298.86</u>	<u>\$ 60,226.71</u>	<u>\$ 62,218.44</u>	<u>\$ 47,890.63</u>	<u>\$ 40,463.18</u>	<u>\$ 129,364.62</u>	<u>\$ 398,462.44</u>
INTEREST							
Loan							
KDHE - C20 1268	1,308.52	846.25	368.40	-	-	-	2,523.17
KDHE -C20 1496	9,132.21	8,075.69	6,985.19	5,859.64	4,697.89	6,743.56	41,494.18
Capital Leases							
Backhoe Loader	1,189.86	908.04	616.05	312.47	-	-	3,026.42
TOTAL INTEREST	<u>\$ 11,630.59</u>	<u>\$ 9,829.98</u>	<u>\$ 7,969.64</u>	<u>\$ 6,172.11</u>	<u>\$ 4,697.89</u>	<u>\$ 6,743.56</u>	<u>\$ 47,043.77</u>
TOTAL PRINCIPAL & INTEREST	<u>\$ 69,929.45</u>	<u>\$ 70,056.69</u>	<u>\$ 70,188.08</u>	<u>\$ 54,062.74</u>	<u>\$ 45,161.07</u>	<u>\$ 136,108.18</u>	<u>\$ 445,506.21</u>

THE CITY OF SEDAN, KANSAS
SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2012

THE CITY OF SEDAN, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

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>
<u>GOVERNMENTAL TYPE FUNDS</u>					
General	\$ 508,000.00	\$ -	\$ 508,000.00	\$ 479,686.48	\$ (28,313.52)
Special Purpose					
Library Fund	21,000.00		21,000.00	20,848.15	(151.85)
Special Street and Highway Fund	42,839.00		42,839.00	24,109.49	(18,729.51)
Employee Benefit Fund	148,500.00		148,500.00	131,142.24	(17,357.76)
Special Equipment Fund	7,000.00		7,000.00	5,851.91	(1,148.09)
Special Park Fund	-		4,000.00	-	(4,000.00)
Business Funds					
Water Fund	370,000.00		370,000.00	313,557.57	(56,442.43)
Sewer Fund	121,811.00		121,811.00	98,493.05	(23,317.95)

THE CITY OF SEDAN, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis
GENERAL FUND

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS			
Taxes	\$ 90,544.02	\$ 93,725.00	\$ (3,180.98)
Local Sales Tax	279,154.15	232,000.00	47,154.15
Guest Tax	4,967.90	4,000.00	967.90
Connecting Link	5,640.93	5,000.00	640.93
Licenses	1,475.00		1,475.00
Franchise Tax	51,113.85	48,000.00	3,113.85
Fines and Forfeitures	7,268.00	15,000.00	(7,732.00)
Fees and Charges	1,962.00	17,000.00	(15,038.00)
Swimming Pool	11,244.71		11,244.71
Rental Income	8,220.91		8,220.91
Interest		1,000.00	(1,000.00)
Transfers		10,000.00	(10,000.00)
Miscellaneous	<u>751.80</u>	<u>16,000.00</u>	<u>(15,248.20)</u>
TOTAL CASH RECEIPTS	<u>\$ 462,343.27</u>	<u>\$ 441,725.00</u>	<u>\$ 20,618.27</u>
EXPENDITURES			
Administrative	\$ 76,621.06	\$ 71,500.00	\$ 5,121.06
Police Department	91,717.35	129,000.00	(37,282.65)
Fire Department	10,922.76	9,000.00	1,922.76
Street Department	62,736.92	60,000.00	2,736.92
Ambulance	30,000.00	30,000.00	-
Park	12,533.11	8,000.00	4,533.11
Street Lighting	20,127.97	21,000.00	(872.03)
Hospital	138,554.72	128,000.00	10,554.72
Museum	5,000.00	5,000.00	-
Fair	4,000.00	4,000.00	-
Tourism	1,911.32	11,000.00	(9,088.68)
Swimming Pool	18,904.13	31,000.00	(12,095.87)
Lease Purchase Payment			-
Miscellaneous	<u>6,657.14</u>	<u>500.00</u>	<u>6,157.14</u>
TOTAL EXPENDITURES	<u>\$ 479,686.48</u>	<u>\$ 508,000.00</u>	<u>\$ (28,313.52)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u>\$ (17,343.21)</u>		
UNENCUMBERED CASH, BEGINNING	<u>102,217.91</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 84,874.70</u>		

THE CITY OF SEDAN, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
LIBRARY FUND

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS			
Taxes	\$ 20,420.33	\$ 21,000.00	\$ (579.67)
TOTAL CASH RECEIPTS	<u>\$ 20,420.33</u>	<u>\$ 21,000.00</u>	<u>\$ (579.67)</u>
EXPENDITURES			
Appropriations to Library Board	\$ 20,848.15	\$ 21,000.00	\$ (151.85)
TOTAL EXPENDITURES	<u>\$ 20,848.15</u>	<u>\$ 21,000.00</u>	<u>\$ (151.85)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (427.82)		
UNENCUMBERED CASH, BEGINNING	<u>427.82</u>		
UNENCUMBERED CASH, ENDING	<u>\$ -</u>		

THE CITY OF SEDAN, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

SPECIAL STREET AND HIGHWAY FUND

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS			
State of Kansas	\$ 28,791.32	\$ 31,860.00	\$ (3,068.68)
Transfers		8,000.00	(8,000.00)
	<u>28,791.32</u>	<u>39,860.00</u>	<u>(11,068.68)</u>
TOTAL CASH RECEIPTS	<u>\$ 28,791.32</u>	<u>\$ 39,860.00</u>	<u>\$ (11,068.68)</u>
EXPENDITURES			
Street Repair and Maintenance	\$ 11,646.91	\$ 4,039.00	\$ 7,607.91
Personal Services	6,201.38	34,500.00	(28,298.62)
Lease Purchase Payments	6,261.20	4,300.00	1,961.20
	<u>24,109.49</u>	<u>42,839.00</u>	<u>(18,729.51)</u>
TOTAL EXPENDITURES	<u>\$ 24,109.49</u>	<u>\$ 42,839.00</u>	<u>\$ (18,729.51)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 4,681.83		
UNENCUMBERED CASH, BEGINNING	<u>18,304.56</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 22,986.39</u>		

THE CITY OF SEDAN, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
EMPLOYEE BENEFIT FUND

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS			
Taxes	\$ 105,862.84	\$ 114,184.00	\$ (8,321.16)
Miscellaneous	2,431.00		2,431.00
Transfers	<u>-</u>	<u>24,000.00</u>	<u>(24,000.00)</u>
TOTAL CASH RECEIPTS	<u>\$ 108,293.84</u>	<u>\$ 138,184.00</u>	<u>\$ (29,890.16)</u>
EXPENDITURES			
Employee Benefits	<u>\$ 131,142.24</u>	<u>\$ 148,500.00</u>	<u>\$ (17,357.76)</u>
TOTAL EXPENDITURES	<u>\$ 131,142.24</u>	<u>\$ 148,500.00</u>	<u>\$ (17,357.76)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u>\$ (22,848.40)</u>		
UNENCUMBERED CASH, BEGINNING	<u>23,086.64</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 238.24</u>		

THE CITY OF SEDAN, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
SPECIAL EQUIPMENT FUND

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS			
Taxes	\$ 3,049.10	\$ 2,855.00	\$ 194.10
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CASH RECEIPTS	<u>\$ 3,049.10</u>	<u>\$ 2,855.00</u>	<u>\$ 194.10</u>
EXPENDITURES			
Leas Purchase Payments	\$ 3,460.78	\$ 4,000.00	\$ (539.22)
Miscellaneous	<u>2,391.13</u>	<u>3,000.00</u>	<u>(608.87)</u>
TOTAL EXPENDITURES	<u>\$ 5,851.91</u>	<u>\$ 7,000.00</u>	<u>\$ (1,148.09)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (2,802.81)		
UNENCUMBERED CASH, BEGINNING	<u>7,212.68</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 4,409.87</u>		

THE CITY OF SEDAN, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
SPECIAL PARK FUND

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS			
Donations	\$ -	\$ 1,000.00	\$ (1,000.00)
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL CASH RECEIPTS	\$ -	\$ 1,000.00	\$ (1,000.00)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Commodities		\$ 4,000.00	\$ (4,000.00)
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ -	\$ 4,000.00	\$ (4,000.00)
	<hr/>	<hr/>	<hr/>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ -		
UNENCUMBERED CASH, BEGINNING	<hr/> 2,144.54		
UNENCUMBERED CASH, ENDING	<hr/> \$ 2,144.54		

THE CITY OF SEDAN, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
MUNICIPAL EQUIPMENT FUND

For the Year Ended December 31, 2012

	<u>Actual</u>
CASH RECEIPTS	
Transfers	\$ -
Miscellaneous	-
	<hr/>
TOTAL CASH RECEIPTS	\$ -
	<hr/>
EXPENDITURES	
Lease Purchase Payments	\$ 2,630.56
Contractual Services	2,905.00
Repairs	-
	<hr/>
TOTAL EXPENDITURES	\$ 5,535.56
	<hr/>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (5,535.56)
	<hr/>
UNENCUMBERED CASH, BEGINNING	10,485.78
	<hr/>
UNENCUMBERED CASH, ENDING	<u>\$ 4,950.22</u>

THE CITY OF SEDAN, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

WATER FUND

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS			
Water Sales	\$ 408,148.79	\$ 325,000.00	83,148.79
Connection Fees	4,140.00	25,000.00	(20,860.00)
Penalties	450.00		450.00
Interest	2,100.39	5,000.00	(2,899.61)
Miscellaneous	300.00	-	300.00
	<u> </u>	<u> </u>	<u> </u>
TOTAL CASH RECEIPTS	\$ 415,139.18	\$ 355,000.00	\$ 60,139.18
EXPENDITURES			
Personal Services	\$ 70,423.54	\$ 77,000.00	\$ (6,576.46)
Water Purchased	189,443.57		189,443.57
Contractual Services	9,919.86	12,000.00	(2,080.14)
Commodities	57,643.18	227,576.00	(169,932.82)
Capital Outlay			-
Reimbursed Expenses	(15,427.57)		(15,427.57)
Lease Purchase Payments	1,554.99	6,424.00	(4,869.01)
Transfers	-	47,000.00	(47,000.00)
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENDITURES	\$ 313,557.57	\$ 370,000.00	\$ (56,442.43)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 101,581.61		
UNENCUMBERED CASH, BEGINNING	<u>293,253.91</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 394,835.52</u>		

THE CITY OF SEDAN, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

SEWER FUND

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
CASH RECEIPTS			
Sewer Charges	\$ 126,573.21	\$ 122,000.00	\$ 4,573.21
Miscellaneous	<u>130.00</u>	<u>2,000.00</u>	<u>(1,870.00)</u>
TOTAL CASH RECEIPTS	<u>\$ 126,703.21</u>	<u>\$ 124,000.00</u>	<u>\$ 2,703.21</u>
EXPENDITURES			
Personal Services	\$ 14,078.38	\$ 38,000.00	\$ (23,921.62)
Contractual Services	3,631.70	9,385.00	(5,753.30)
Commodities	18,356.52	12,000.00	6,356.52
Capital Outlay			-
Lease Purchase Payments	615.25	615.00	0.25
Principal	55,548.88	61,811.00	(6,262.12)
Interest	5,774.86		5,774.86
KDHE Service Fees	487.46		487.46
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 98,493.05</u>	<u>\$ 121,811.00</u>	<u>\$ (23,317.95)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 28,210.16		
UNENCUMBERED CASH, BEGINNING	<u>72,172.70</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 100,382.86</u>		

THE CITY OF SEDAN, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

RELATED MUNICIPAL ENTITY

SEDAN PUBLIC LIBRARY

For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget (1)</u>	Variance Over (Under)
CASH RECEIPTS			
Appropriations	\$ 19,929.39	\$ 21,230.00	\$ (1,300.61)
State and Local Grants	7,409.40	6,195.00	1,214.40
Fines & Fees	998.25		998.25
Donations	175.00		175.00
Interest	302.91		302.91
Miscellaneous	1,848.66	-	1,848.66
TOTAL CASH RECEIPTS	<u>\$ 30,663.61</u>	<u>\$ 27,425.00</u>	<u>\$ 3,238.61</u>
EXPENDITURES			
Personal Services	\$ 18,349.58	\$ 18,000.00	\$ 349.58
Commodities	3,178.04	6,050.00	(2,871.96)
Contractual	10,864.37	3,375.00	7,489.37
Capital Outlay	-	-	-
TOTAL EXPENDITURES	<u>\$ 32,391.99</u>	<u>\$ 27,425.00</u>	<u>\$ 4,966.99</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (1,728.38)		
UNENCUMBERED CASH, BEGINNING	<u>41,472.04</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 39,743.66</u>		

(1) Not a legally required budget - overexpenditure does not result in statutory violation.

THE CITY OF SEDAN, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
RELATED MUNICIPAL ENTITY

EMMETT KELLY MUSEUM

For the Year Ended December 31, 2012

	<u>Actual</u>
CASH RECEIPTS	
Appropriations	\$ 5,000.00
State and Local Grants	
Donations	805.44
Sales	1,188.79
Interest	<u>1.48</u>
TOTAL CASH RECEIPTS	<u>\$ 6,995.71</u>
EXPENDITURES	
Personal Services	\$ 2,067.01
Contractual	5,127.13
Capital Outlay	
Commodities	5,255.92
Miscellaneous	<u>209.31</u>
TOTAL EXPENDITURES	<u>\$ 12,659.37</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (5,663.66)
UNENCUMBERED CASH, BEGINNING	<u>10,370.36</u>
UNENCUMBERED CASH, ENDING	<u>\$ 4,706.70</u>