

CITY OF ARKANSAS CITY, KANSAS

FINANCIAL STATEMENT

AND SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

Prepared By

Edw. B. Stephenson & Co., CPAs Chartered
Certified Public Accountants
Winfield, Kansas

CITY OF ARKANSAS CITY, KANSAS

FOR THE YEAR ENDED DECEMBER 31, 2012

GOVERNING BODY

MAYOR

Charles Tweedy III 04/11 – 04/15

CITY COMMISSION

Chad Giles 04/11 – 04/13

Jean Snell 11/12 – 04/15

Patrick McDonald 04/09 – 04/13

Jay Warren 04/09 – 04/13

CITY OFFICERS

Nickolaus J. Hernandez, City Manager

Kathleen A. Cornwell, Finance Director

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

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*EDW. B
STEPHENSON
& CO., CPAs
CHARTERED*

EDW. B. STEPHENSON
(1905-1985)

JAMES R. DOBBS
(1927-1997)

HARRY L. SHETLAR, JR.
(1931-2000)

MORRIS W. JARVIS
(1935-1999)

N. DEAN BRADBURY
(1936-2005)

LOREN L. PONTIOUS
(Retired)

SHAREHOLDERS

AARON R. IVERSON, CPA

MICHAEL B. NORTON, CPA

MAURICE P. ROBERTS, CPA

ACCOUNTANTS

SARAH M. KINDT

MELISSA J. SCHOOLEY

HEIDI M. HUENERGARDT, CPA

INDEPENDENT AUDITORS' REPORT

Board of City Commissioners
City of Arkansas City
Arkansas City, Kansas

Report on the Financial Statement

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

Opinions

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

As described in Note I of the financial statement, the financial statement is prepared by the City of Arkansas City, 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 I.C. 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 Arkansas City, Kansas, as of and for the year ended 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 Arkansas City, Kansas, as of and for the year ended 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 I.

Other Matters

Report on Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 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 (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 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 I.

Prior Year Comparative Analysis

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 financial statement upon which we rendered an unqualified opinion dated January 7, 2013. The 2011 financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of Kansas Department of Administration, Office of Management Analysis and Standards at the following line <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 financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 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 financial statement or to the 2011 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 financial statement as a whole, on the basis of accounting described in Note I.

Sincerely Yours,

Edw. B. Stephenson & Co., CPAs CAG

Edw. B. Stephenson & Co., CPAs Chartered

FINANCIAL SECTION

CITY OF ARKANSAS CITY, KANSAS

Statement -1-

Summary Statement of Receipts, Expenditures, and Unencumbered Cash

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Regulatory Basis

For the Year Ended December 31, 2012

	<u>Beginning Unencumbered Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Fund:						
General	\$ 154,307	\$ 8,240,783	\$ 8,179,703	\$ 215,387	\$ 101,921	\$ 317,308
Special Purpose Funds:						
Special Recreation and Park	13,577	16,718	17,900	12,395	-	12,395
Special Street and Highway	238,233	375,850	342,810	271,273	18,017	289,290
Street Maintenance	201,679	137,390	98,541	240,528	659	241,187
Tourism	74,716	79,624	79,591	74,749	-	74,749
Cherokee Strip Museum	15,604	106,459	112,984	9,079	-	9,079
Alcohol Program	34,721	11,718	1,000	45,439	-	45,439
Public Library	-	301,869	301,869	-	-	-
Economic Development	161,389	-	53,644	107,745	-	107,745
Memorial Hospital	617,271	777,131	753,200	641,202	-	641,202
Street Improvement	840,519	775,774	832,586	783,707	-	783,707
Convention Center	52,086	58	-	52,144	-	52,144
Community Contribution	71,058	139,751	186,634	24,175	100	24,275
DARE Program	1,209	4,731	4,510	1,430	400	1,830
Renaissance Faire	3,342	-	-	3,342	-	3,342
Equipment Reserve	88,224	149,416	36,992	200,648	-	200,648
Public Building Commission	2,314,036	1,890,793	1,887,099	2,317,730	-	2,317,730
Bond And Interest Fund:						
Bond and Interest	598,522	1,252,362	1,356,315	494,569	-	494,569
Capital Project Fund:						
Construction	789,835	1,742,486	1,964,236	568,085	-	568,085

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

Statement -1-

Page 2 of 2

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Business Funds:						
Storm Water	\$ 414,259	\$ 194,816	\$ 140,848	\$ 468,227	\$ -	\$ 468,227
Water Utility	2,630,617	3,689,250	3,223,998	3,095,869	129,570	3,225,439
Sewer	771,637	1,931,285	1,634,811	1,068,111	45,691	1,113,802
Sanitation	525,802	1,469,729	1,372,421	623,110	28,718	651,828
Total Financial Reporting Entity (Excluding Agency Funds)	\$ 10,612,643	\$ 23,287,993	\$ 22,581,692	\$ 11,318,944	\$ 325,076	\$ 11,644,020

Composition of Cash:

Petty Cash	\$ 1,375
Now Accounts	
Union State Bank	157,674
CornerBank	7,176,253
The Bancorp Bank	2,600
CD's	
RCB Bank	1,500,000
Union State Bank	500,000
CornerBank	2,317,730
	<u>\$ 11,655,632</u>
Less: Agency Funds per Schedule 3	(11,612)
Total Financial Reporting Entity (Excluding Agency Funds)	\$ 11,644,020

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

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Municipal Financial Reporting Entity

The City of Arkansas City, Kansas (the City) is a municipal corporation operating under an elected five-member Commissioner-Manager form of government and provides the following services: public safety, development services, public health and welfare, culture, recreation, and utilities.

The City receives funding from various local and state sources and must comply with the concomitant requirements of these funding source entities. However, the City is not included in any other governmental "reporting entity" as defined in Section 2100 of GAFRS, since Commissioners are elected by the general public, have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

Related Municipal Entities

The City, for financial purposes, includes all of the funds and account groups relevant to the operations of the City of Arkansas City, Kansas, with the exception of the South Central Kansas Regional Medical Center, and The Arkansas City Public Library. These related municipal entities have each had an audit of their financial statements completed separately. Copies can be obtained by contacting the management at the following addresses:

South Central Kansas Regional Medical Center
6401 Patterson Pkwy Arkansas City, KS 67005

Arkansas City Public Library
120 E 5th Ave Arkansas City, KS 67005

The Arkansas City Public Building Commission – issued revenue bonds for the benefit of the South Central Kansas Regional Medical Center. All transactions are recorded in the Public Building Commission fund.

The Cherokee Strip Museum –the transactions are recorded in the Cherokee Strip Museum Fund.

Strother Field Airport and Industrial Park – The City has adopted Ordinance No. 98-11-3793 providing for an interlocal cooperation agreement between the City of Arkansas City, the City of Winfield and Strother Field to provide financing of water systems improvements at Strother Field. The agreement provides for \$500,000 in G.O. bonds to be issued by the City of Winfield to finance the improvements. If Strother Field defaults on the bond issue, the Cities of Arkansas City and Winfield would each be responsible for 50% of the remaining liability. The agreement acknowledges that

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

the obligations of Arkansas City are subject to K.S.A. 10-1101 et seq., and as such, Arkansas City is obligated only to the extent that it has funds actually on hand in its treasury at the time for such purpose. The Strother Field Airport and Industrial Park joint venture has had an audit of their financial statements completed separately. Copies can be obtained by contacting the management at 22193 Tupper St, Winfield, KS 67156.

Arkansas City/Winfield Recycling Center – The Cities of Arkansas City and Winfield, Kansas entered into an interlocal agreement to jointly purchase and operate a recycling center. Records are maintained by the City of Winfield; both cities share equally in the costs and recycling revenues. No financial statements are prepared for this joint venture. Further financial information can be obtained through the City of Winfield, 200 E. 9th Ave. Winfield, KS 67156.

B. Basis of Presentation - Regulatory Basis Fund Types

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

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

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

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

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

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

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

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

Agency fund - funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

C. Basis of Accounting

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 of Arkansas City has obtained a waiver for the year ended December 31, 2012 of the requirement of K.S.A. 75-1120a(c) for the presentation of GAAP financial statements from the State of Kansas, which thereby requires this type of special reporting.

D. Property Taxes

All budgets must be filed with the County Clerk by August 25. The County Clerk must calculate the final tax levy rates necessary to finance the budget, subject to any legal limitations. After all budgets have been received and tax levy rates calculated, the County Clerk certifies the tax roll to the County Treasurer, who prepares the tax statements and receives the payments of ad valorem taxes. The taxes become a lien against all property on November 1. Taxpayers have the option of paying in full or in two equal installments. The delinquency dates are December 20 and May 10.

Taxes levied to finance the budget are made available to the City of Arkansas City after January 1, and are distributed by the County Treasurer. At least 50 percent of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

E. Utility Customers

Utility accounts receivable on December 31, 2012, were \$608,961.51. As explained previously in Note I.C., the City is on the regulatory basis of accounting and does not recognize revenue until the cash payment is actually received.

F. Special Assessments

Projects financed in part by special assessments are funded through general obligation bonds issued by the City and listed with its other general obligation debt. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project but special assessments received after the issuance of bonds are recorded as revenue in the Bond and Interest Fund, from which the bonds will be paid.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. The Statutes provide for the following sequence and timetable in the adoption of the legal operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 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 budget was amended by the following amounts during 2012:

<u>Fund</u>	<u>Original Budget</u>	<u>Amended Budget</u>
Stormwater	\$200,850	\$210,850
Street Improvement	800,000	835,000

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, modified further by the encumbrance method of accounting; revenues are recognized when cash is received. Expenditures include disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

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

Convention Center Fund
Community Contribution Fund
DARE Program Fund
Renaissance Faire Fund
Equipment Reserve Fund
Public Building Commission Fund

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

B. Compliance with Kansas Statutes

1. The City did have six projects in the Construction Fund that had expenditures in excess of the authorization amounts that would be a violation of K.S.A. 79-2935. The projects included the Patterson Park Streets – Internal, Water Plant – Critical Repair, Bike Trail – Part 2, Waterline Replacement (7th Street), 15th Street Improvement, and Wastewater Treatment Plant Roof.
2. The City’s deposits were not adequately secured throughout the year which resulted in a violation of K.S.A. 9-1402. However, as noted in Note III, all deposits were legally secured at December 31, 2012.
3. The City failed to comply with K.S.A. 10-130, which requires the City to remit payment to the state fiscal agent at least 20 days before the day of maturity on any bonds or the interest thereon.

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

4. The City did have one fund with expenditures in excess of the published budgets that would be a violation of K.S.A. 79-2935. The Tourism Fund had expenditures in excess of the published budget.
5. The City did not have any funds with deficit fund balance as of December 31, 2012 that would be a violation of K.S.A. 10-1113.
6. The City is not aware of any other statutes with which it has not maintained compliance.

C. Compliance with Finance-Related Legal and Contractual Provisions

1. The City is not aware of any finance-related legal and contractual provision violations.

III. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the Government. The statute requires a bank eligible to hold the Government's funds have a main or branch bank in the county in which the Government 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 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 Government'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 that would further limit its investment choices.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2012.

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

At December 31, 2012, the City's carrying amount of deposits was \$11,655,632 and the bank balance was \$12,336,622. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$753,325 was covered by federal depository insurance; \$12,234,530 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

IV. CAPITAL PROJECTS

At year end, capital project authorizations compared with expenditures from inception are as follows:

<u>Current Projects</u>	<u>Authorized Amount</u>	<u>Expenditures To Date</u>
Accel/Decel Lanes 242nd Street	\$ 720,000	\$ 653,141
15th Street Improvement	1,337,978	1,338,944
Waterline Replacement - 7th Street	356,012	362,107
Accounting Software	353,270	347,728
Recreation Center Improvement	41,167	39,916
Kansas Avenue Railroad Crossing	5,664,400	4,590,586
Patterson Park Street Imp. Part 2	305,903	300,160
Patterson Park Street - Internal	1,050,320	1,152,375
Patterson Park Water - Internal	491,560	334,478
Patterson Park Water - External	1,622,612	854,977
SCKRMC Sewer Line - Part 2	1,316,909	1,012,301
Water Plant - Critical Repair	450,000	478,645
Sports Complex North	2,000,000	1,993,171
Bike Trail - Part 1	1,434,681	246,780
Bike Trail - Part 2	1,857,919	1,902,411
15th Street Bridge / C Street Canal	414,027	23,272
Madison Ave KLINK	442,764	300,967
4th & Walnut Intersection	172,163	9,173
Fran Willard Sewer Relocation	51,039	49,731
Senior Center	39,970	2,285
Corp/Levee Project	322,101	17,136
Recreation Center Skateboard Facility	69,683	69,325
Wastewater Treatment Plant Roof	26,580	27,653
Williams Way	59,594	59,594

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

V. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, the expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

VI. LONG-TERM DEBT

A. General obligation bonds

The City issues general obligation and revenue bonds to finance the purchase of major capital items and the construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities and are being repaid from the applicable resources. Each bond has a separate maturity date and a fixed interest rate.

B. Revenue bonds

In 2009 the Arkansas City Public Building Commission issued Revenue bonds for the benefit of South Central Kansas Regional Medical Center.

C. Temporary notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest-bearing, and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds. The City has obtained short-term financing for several capital projects through the issuance of Temporary Notes. The Temporary Note Series 2010-1 totaling \$6,200,000 was used for the following items:

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

Flood Control Improvements
Patterson Park – Road Improvements
Patterson Park – Street Improvements
Main Traffic Improvements – Fifth Street over “C” Street Canal
Main Traffic Improvements – Madison Avenue (U.S. Highway 166) from the
Arkansas City River Bridge to Summit Street
Patterson Park – Sanitary Sewer Improvements
Interceptor Sewer Reconstruction – Fourth Street
Sanitary Sewer Reconstruction – Frances Willard Elementary School
Public Building Improvements – Wastewater Treatment Facility Roof
Patterson Park – Water System Improvements
Public Building Improvements – Paris Park Pool Recreational Complex
Public Building Improvements – Arkansas City High School (leasehold interest)
Public Building Improvements –Senior Center Roof

D. KDHE loan

The Water supply loan with KDHE was used for additional work needed to expand the water system to the new hospital. The project was identified as the Bryant Standpipe Hospital Extensions. The original debt was issued for \$1,650,000 and \$330,000 was forgiven under the ARRA Project Principal Forgiveness, leaving an actual balance of \$1,320,000 to be repaid if full amount of award was drawn. The actual amount including ARRA Project Principal Forgiveness was \$1,226,071 after project was complete.

E. Lease purchase agreements

In 2006, the City acquired a new fire truck that is financed with a lease agreement providing for payments over ten years. At the end of the ten year lease agreement, title will transfer to the City.

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

Changes in long-term liabilities for the City of Arkansas City 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	Interest Paid
General Obligation Bonds									
Series 2002 GO	3.50%-5.30%	04/01/02	2,200,000	04/01/12	\$ 265,000	\$ -	\$ 265,000	\$ -	\$ 5,698
Series 2003 GO	2.50%-3.75%	08/01/03	3,685,000	12/01/13	860,000	-	420,000	440,000	31,620
Series 2005 GO	3.60%-5.50%	12/01/05	2,095,000	12/01/15	940,000	-	220,000	720,000	33,495
Series 2008 GO	2.10%-4.00%	09/01/08	2,545,000	12/01/18	1,910,000	-	240,000	1,670,000	70,505
Series 2009 GO	2.50%-3.70%	07/01/09	1,950,000	12/01/19	1,650,000	-	175,000	1,475,000	50,033
Revenue Bonds									
Public Building Commission	4.00%-7.00%	09/01/09	23,205,000	09/01/38	23,205,000	-	370,000	22,835,000	1,514,548
Temporary Notes									
Series 2010	2.15%	04/22/12	6,200,000	05/01/13	6,200,000	-	-	6,200,000	133,300
15 KDHE loans:									
Water Supply Loan	3.12%	11/18/09	1,226,071	08/01/30	831,474	-	31,662	799,813	25,586
Lease purchase agreements:									
Fire Truck	4.89%	08/18/06	668,665	02/01/16	364,999	-	66,120	298,879	18,096
Certificate of Participation:									
Humane Society	4.59%	12/01/02	350,000	12/01/12	63,646	-	63,646	-	3,674
Total Bonded Debt					\$ 36,290,119	\$ -	\$ 1,851,428	\$ 34,438,692	\$ 1,886,555
Compensated Absences	N/A	N/A	N/A	N/A	722,759	-	57,816	664,943	-
Total long-term debt					\$ 37,012,878	\$ -	\$ 1,909,244	\$ 35,103,635	\$ 1,886,555

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

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	2014	2015	2016	2017	2018-2022	2023-2027	2028-2032	2033-2037	2038-2043	Total
PRINCIPAL											
General Obligation Bonds	\$ 1,105,000	\$ 695,000	\$ 720,000	\$ 495,000	\$ 515,000	\$ 775,000	\$ -	\$ -	\$ -	\$ -	\$ 4,305,000
Revenue Bonds	385,000	405,000	425,000	445,000	465,000	2,750,000	3,725,000	5,210,000	7,260,000	1,765,000	22,835,000
Temporary Notes	6,200,000	-	-	-	-	-	-	-	-	-	6,200,000
KDHE Loans	32,646	33,788	34,971	36,195	37,462	207,918	246,943	169,890	-	-	799,813
Lease Purchase Agreement	69,357	72,836	76,448	80,238	-	-	-	-	-	-	298,879
TOTAL PRINCIPAL	\$ 7,792,003	\$ 1,206,624	\$ 1,256,419	\$ 1,056,433	\$ 1,017,462	\$ 3,732,918	\$ 3,971,943	\$ 5,379,890	\$ 7,260,000	\$ 1,765,000	\$ 34,438,692
INTEREST											
General Obligation Bonds	\$ 151,148	\$ 112,608	\$ 89,690	\$ 65,200	\$ 48,213	\$ 38,070	\$ -	\$ -	\$ -	\$ -	\$ 504,928
Revenue Bonds	1,499,748	1,482,423	1,463,185	1,441,935	1,419,685	6,679,950	5,702,913	4,226,450	2,169,000	121,288	26,206,576
Temporary Notes	66,650	-	-	-	-	-	-	-	-	-	66,650
KDHE Loan	24,702	23,674	22,611	21,510	20,371	83,325	48,237.00	9,409.00	-	-	253,839
Lease Purchase Agreement	14,859	11,380	7,768	3,978	-	-	-	-	-	-	37,985
TOTAL INTEREST	\$ 1,757,107	\$ 1,630,084	\$ 1,583,254	\$ 1,532,623	\$ 1,488,269	\$ 6,801,345	\$ 5,751,150	\$ 4,235,859	\$ 2,169,000	\$ 121,288	\$ 27,069,977
TOTAL PRINCIPAL & INTEREST	\$ 9,549,110	\$ 2,836,708	\$ 2,839,672	\$ 2,589,056	\$ 2,505,731	\$ 10,534,262	\$ 9,723,093	\$ 9,615,749	\$ 9,429,000	\$ 1,886,288	\$ 61,508,669

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

F. Conduit debt obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity service by the bond issuance. Neither the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2013, there were five series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$4,249,208.

VII. INTERFUND TRANSFERS

From	To	Statutory Authority	Amount
General	Equipment Reserve	K.S.A 12-1,117	\$ 104,280
Water	General	K.S.A 12-825d	450,000
Water	Bond & Interest	K.S.A 12-825d	150,000
Sewer	General	K.S.A 12-825d	300,000
Sewer	Bond & Interest	K.S.A 12-825d	150,000
Sanitation	General	K.S.A 12-825d	160,000
Sanitation	Equipment Reserve	K.S.A 12-1,117	5,000
Street Improvement	Construction	K.S.A. 12-6a16	761,314
Special Street and Highway	Equipment Reserve	K.S.A 12-1,117	40,000
Community Contribution	DARE	K.S.A 12-1,117	773
			\$ 2,121,368

IX. DEFINED BENEFIT PENSION PLAN

Plan Description. The City of Arkansas City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen’s Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding policy. K.S.A. 74-4919 and K.S.A 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

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 of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The KPERS employer rate established by statute for calendar year 2012 is 7.34% plus 1.00% for death and disability. The State of Kansas issued a moratorium on death and disability insurance contributions effective March 1, 2012 through June 30, 2012. The City of Arkansas City contributions to KPERS for the years ending December 31, 2012, 2011 and 2010 were \$244,056, \$236,370 and \$238,826 respectively, equal to the statutory required contributions for each year. The KP&F employer rate established for fiscal years beginning 2012 is 16.54%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City of Arkansas City contributions to KP&F for the years ending December 31, 2012, 2011 and 2010 were \$433,398, \$367,820 and \$319,135, respectively, equal to the statutory required contributions for each year.

VIII. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

A. Other Post-Employment Benefits

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

B. Consolidated Omnibus Budget Reconciliation Act (COBRA)

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. There is no cost to the City under this program.

C. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

1. Vacation – All employees shall accrue vacation leave each pay period according to their position and years of service with the City.
 - Full time employees earn a minimum of 80 hours per year for their continuous employment years 1-7 with a maximum accrual of 160 hours.

CITY OF ARKANSAS CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended December 31, 2012

- Full time employees earn a minimum of 120 hours per year for their continuous employment years 8-15 with a maximum accrual of 240 hours.
 - Full time employees earn a minimum of 160 hours per year for their continuous employment years 16-20 with a maximum accrual of 320 hours.
 - Full time employees earn a minimum of 200 hours per year for their continuous employment years 20+ with a maximum accrual of 400 hours.
 - Part time employees hired prior to June 5, 2007 accrue paid vacation leave at one-half the above rates.
2. Sick leave – All full time employees shall accrue paid sick leave at a rate of at least one eight hour day per month with a maximum accrual of 960 hours.
3. Accumulated leave payout – All employees separating from City employment that have given and satisfactorily completed an appropriate 14-day notice period will receive payment for all accumulated accrued and unused vacation and depending upon the employees length of service with the City a percentage of their accrued unused sick leave as follows:
- Full time employees with 0-4 full years of continuous service will receive 0% sick leave payout.
 - Full time employees with 5-9 full years of continuous service will receive 25% sick leave payout up to 480 hours.
 - Full time employees with 10-14 full years of continuous service will receive 50% sick leave payout up to 480 hours.
 - Full time employees with 15-19 full years of continuous service will receive 75% sick leave payout up to 480 hours.
 - Full time employees with 20+ full years of continuous service will receive 100% sick leave payout up to 480 hours.

At December 31, 2012 the accumulated leave payout totals \$664,943 which consists of unused vacation of \$344,758 and sick leave of \$320,185.

XI. SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the financial statement, July 31, 2013. There were no subsequent events requiring recognition in the financial statement.

**REGULATORY - REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF ARKANSAS CITY, KANSAS

Schedule -1-

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund:					
General	\$ 8,120,604	\$ 199,807	\$ 8,320,411	\$ 8,179,703	\$ (140,708)
Special Purpose Funds:					
Special Recreation and Park	17,000	5,000	22,000	17,900	(4,100)
Special Street and Highway	424,700	-	424,700	342,810	(81,890)
Street Maintenance	120,000	-	120,000	98,541	(21,459)
Tourism	72,700	-	72,700	79,591	6,891
Cherokee Strip Museum	114,660	-	114,660	112,984	(1,676)
Special Alcohol Program	8,000	-	8,000	1,000	(7,000)
Public Library	315,700	-	315,700	301,869	(13,831)
Economic Development	105,500	-	105,500	53,644	(51,856)
Memorial Hospital	1,350,000	-	1,350,000	753,200	(596,800)
Street Improvement	835,000	-	835,000	832,586	(2,414)
Bond And Interest Fund:					
Bond and Interest	1,469,531	-	1,469,531	1,356,315	(113,216)
Business Funds:					
Storm Water	210,850	-	210,850	140,848	(70,002)
Water Utility	3,337,119	-	3,337,119	3,223,998	(113,121)
Sewer	1,769,440	-	1,769,440	1,634,811	(134,629)
Sanitation	1,454,001	-	1,454,001	1,372,421	(81,580)
	\$ 19,724,805	\$ 204,807	\$ 19,929,612	\$ 18,502,221	\$ (1,427,391)

CITY OF ARKANSAS CITY, KANSAS

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)

GENERAL FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and shared revenue:				
16/20M vehicle tax	\$ 1,445	\$ 915	\$ 1,673	\$ (758)
Ad valorem property tax	2,089,021	2,035,459	2,065,292	(29,833)
Delinquent tax	76,662	19,304	47,500	(28,196)
Franchise fees	823,310	967,464	852,000	115,464
In lieu of tax	50,000	8,000	37,000	(29,000)
Liquor enforcement tax	10,108	11,726	10,115	1,611
Local sales tax	1,926,716	1,924,476	1,915,700	8,776
Motor vehicle tax	339,544	322,545	364,146	(41,601)
Recreational vehicle tax	3,654	2,773	3,687	(914)
Special assessments	55,686	44,369	53,343	(8,974)
Licenses, permits, and fees	84,891	74,825	105,750	(30,925)
Fines, forfeitures, and penalties	604,175	477,518	500,000	(22,482)
Charges for services	560,403	599,114	504,900	94,214
Insurance recovery	73,591	54,109	-	54,109
Reimbursed expenditures	178,470	199,807	60,000	139,807
Rural fire fees	276,222	273,787	275,000	(1,213)
County payments	196,934	171,957	313,200	(141,243)
Miscellaneous	8,425	2,914	35,300	(32,386)
Rent	41,275	40,133	39,400	733
Federal revenue	44,429	67,346	30,000	37,346
State revenue	24,730	14,611	-	14,611
Animal control	2,766	1,942	-	1,942
Contributions/donations	10,615	10,840	64,600	(53,760)
Interest income	7,377	4,849	8,000	(3,151)
Operating transfers	735,000	910,000	710,000	200,000
Total Receipts	<u>\$8,225,449</u>	<u>\$8,240,783</u>	<u>\$7,996,606</u>	<u>\$ 244,177</u>
Expenditures				
General government:				
Administration	\$ 815,220	\$ 743,569	\$ 996,727	\$ (253,158)
Court and Legal	128,013	245,656	141,850	103,806
Operating transfers	69,335	8,500	-	8,500
Total general government	<u>\$1,012,568</u>	<u>\$ 997,725</u>	<u>\$1,138,577</u>	<u>\$ (140,852)</u>

CITY OF ARKANSAS CITY, KANSAS

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)

GENERAL FUND

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Public safety:				
Law enforcement	\$ 2,949,845	\$ 2,901,969	\$ 2,790,400	\$ 111,569
Fire fighting & EMS	2,304,040	2,422,596	2,342,680	79,916
Civil defense	86,960	45,910	46,700	(790)
Operating transfers	36,000	51,000	-	51,000
Total public safety	<u>\$ 5,376,845</u>	<u>\$ 5,421,475</u>	<u>\$ 5,179,780</u>	<u>\$ 241,695</u>
Public works:				
Public services	\$ 526,030	\$ 548,196	\$ 529,035	\$ 19,161
Cemetery	167,177	189,630	196,020	(6,390)
Public buildings	131,505	109,079	131,150	(22,071)
Operating transfers	15,000	14,780	-	14,780
Total public works	<u>\$ 839,712</u>	<u>\$ 861,685</u>	<u>\$ 856,205</u>	<u>\$ 5,480</u>
Culture and recreation:				
Park Maintenance	\$ 524,899	\$ 517,115	\$ 569,850	\$ (52,735)
Swimming pool	76,571	71,335	98,000	(26,665)
NW community center	58,287	66,181	75,725	(9,544)
Senior citizen	176,503	199,951	187,750	12,201
Museum	433	(558)	-	(558)
Teen center	13,971	12,582	14,717	(2,135)
Other	1,961	2,212	-	2,212
Operating transfers	-	30,000	-	30,000
Total culture and recreation	<u>\$ 852,625</u>	<u>\$ 898,818</u>	<u>\$ 946,042</u>	<u>\$ (47,224)</u>
Legal general fund budget	\$ 8,081,750	\$ 8,179,703	\$ 8,120,604	\$ 59,099
Adjustment for qualified budget credits	-	-	199,807	(199,807)
Total Expenditures	<u>\$ 8,081,750</u>	<u>\$ 8,179,703</u>	<u>\$ 8,320,411</u>	<u>\$ (140,708)</u>
Receipts Over (Under) Expenditures	\$ 143,699	\$ 61,080		
Unencumbered Cash, Beginning	<u>10,608</u>	<u>154,307</u>		
Unencumbered Cash, Ending	<u>\$ 154,307</u>	<u>\$ 215,387</u>		

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

SPECIAL RECREATION AND PARK FUND

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
Receipts				
State revenue	\$ 10,108	\$ 11,718	\$ 10,115	\$ 1,603
Refund of expenditure	7,900	5,000	6,000	(1,000)
Total Receipts	<u>\$ 18,008</u>	<u>\$ 16,718</u>	<u>\$ 16,115</u>	<u>\$ 603</u>
Expenditures				
Contractual services	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Commodities	10,800	7,900	7,000	900
Legal special recreation and park fund budget	\$ 20,800	\$ 17,900	\$ 17,000	\$ 900
Adjustment for qualified budget credits	-	-	5,000	(5,000)
Total Expenditures	<u>\$ 20,800</u>	<u>\$ 17,900</u>	<u>\$ 22,000</u>	<u>\$ (4,100)</u>
Receipts Over (Under) Expenditures	\$ (2,792)	\$ (1,182)		
Unencumbered Cash, Beginning	<u>16,369</u>	<u>13,577</u>		
Unencumbered Cash, Ending	<u>\$ 13,577</u>	<u>\$ 12,395</u>		

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

SPECIAL STREET AND HIGHWAY FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
County gas tax	\$ 54,064	\$ 50,940	\$ 53,344	\$ (2,404)
State gas tax	305,256	321,448	348,530	(27,082)
Refund of expenditures	1,839	3,462	-	3,462
Total Receipts	<u>\$ 361,159</u>	<u>\$ 375,850</u>	<u>\$ 401,874</u>	<u>\$ (26,024)</u>
Expenditures				
Personal services	\$ 52,607	\$ 46,356	\$ 73,600	\$ (27,244)
Contractual services	85,856	76,290	44,100	32,190
Commodities	87,150	118,000	191,000	(73,000)
Capital outlay	36,715	62,164	116,000	(53,836)
Operating transfers	34,983	40,000	-	40,000
Total Expenditures	<u>\$ 297,311</u>	<u>\$ 342,810</u>	<u>\$ 424,700</u>	<u>\$ (81,890)</u>
Receipts Over (Under) Expenditures	\$ 63,848	\$ 33,040		
Unencumbered Cash, Beginning	<u>174,385</u>	<u>238,233</u>		
Unencumbered Cash, Ending	<u>\$ 238,233</u>	<u>\$ 271,273</u>		

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

STREET MAINTENANCE FUND

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
Receipts				
Franchise taxes	\$ 141,139	\$ 137,390	\$ 135,000	\$ 2,390
Total Receipts	<u>\$ 141,139</u>	<u>\$ 137,390</u>	<u>\$ 135,000</u>	<u>\$ 2,390</u>
Expenditures				
Commodities	\$ 117,129	\$ 98,541	\$ 120,000	\$ (21,459)
Total Expenditures	<u>\$ 117,129</u>	<u>\$ 98,541</u>	<u>\$ 120,000</u>	<u>\$ (21,459)</u>
Receipts Over (Under) Expenditures	\$ 24,010	\$ 38,849		
Unencumbered Cash, Beginning	<u>177,669</u>	<u>201,679</u>		
Unencumbered Cash, Ending	<u>\$ 201,679</u>	<u>\$ 240,528</u>		

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

TOURISM FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Transient guest tax	\$ 80,728	\$ 79,624	\$ 76,500	\$ 3,124
Total Receipts	<u>\$ 80,728</u>	<u>\$ 79,624</u>	<u>\$ 76,500</u>	<u>\$ 3,124</u>
Expenditures				
Personal services	\$ -	\$ -	\$ 6,500	\$ (6,500)
Contractual services	75,832	79,591	62,000	17,591
Commodities	1,243	-	4,200	(4,200)
Total Expenditures	<u>\$ 77,075</u>	<u>\$ 79,591</u>	<u>\$ 72,700</u>	<u>\$ 6,891</u>
Receipts Over (Under) Expenditures	\$ 3,653	\$ 33		
Unencumbered Cash, Beginning	<u>71,063</u>	<u>74,716</u>		
Unencumbered Cash, Ending	<u>\$ 74,716</u>	<u>\$ 74,749</u>		

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

CHEROKEE STRIP MUSEUM FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes	\$ -	\$ 55,366	\$ -	\$ 55,366
County payments	27,500	-	27,500	(27,500)
Museum admittance	21,788	-	18,000	(18,000)
Contributions/donations	6,295	-	9,000	(9,000)
Miscellaneous	4,000	-	3,000	(3,000)
Refund of expenditures	-	51,093	-	51,093
Operating transfers	68,790	-	-	-
Total Receipts	<u>\$ 128,373</u>	<u>\$ 106,459</u>	<u>\$ 57,500</u>	<u>\$ 48,959</u>
Expenditures				
Personal services	\$ 36,345	\$ 50,333	\$ 67,860	\$ (17,527)
Contractual services	60,587	7,056	20,000	(12,944)
Commodities	15,837	230	26,800	(26,570)
Outside organizations	-	55,365	-	55,365
Total Expenditures	<u>\$ 112,769</u>	<u>\$ 112,984</u>	<u>\$ 114,660</u>	<u>\$ (1,676)</u>
Receipts Over (Under) Expenditures	\$ 15,604	\$ (6,525)		
Unencumbered Cash, Beginning	-	15,604		
Unencumbered Cash, Ending	<u>\$ 15,604</u>	<u>\$ 9,079</u>		

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

ALCOHOL PROGRAM FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State revenue	\$ 10,108	\$ 11,718	\$ 10,115	\$ 1,603
Total Receipts	<u>\$ 10,108</u>	<u>\$ 11,718</u>	<u>\$ 10,115</u>	<u>\$ 1,603</u>
Expenditures				
Contractual services	\$ 1,000	\$ 1,000	\$ 8,000	\$ (7,000)
Total Expenditures	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 8,000</u>	<u>\$ (7,000)</u>
Receipts Over (Under) Expenditures	\$ 9,108	\$ 10,718		
Unencumbered Cash, Beginning	<u>25,613</u>	<u>34,721</u>		
Unencumbered Cash, Ending	<u>\$ 34,721</u>	<u>\$ 45,439</u>		

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

PUBLIC LIBRARY FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes	\$ 308,677	\$ 301,869	\$ 315,700	\$ (13,831)
Total Receipts	<u>\$ 308,677</u>	<u>\$ 301,869</u>	<u>\$ 315,700</u>	<u>\$ (13,831)</u>
Expenditures				
Outside organizations	\$ 308,677	\$ 301,869	\$ 315,700	\$ (13,831)
Total Expenditures	<u>\$ 308,677</u>	<u>\$ 301,869</u>	<u>\$ 315,700</u>	<u>\$ (13,831)</u>
Receipts Over (Under) Expenditures	\$ -	\$ -		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

ECONOMIC DEVELOPMENT FUND

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Franchise tax	\$ 21,823	\$ -	\$ -	\$ -
Total Receipts	<u>\$ 21,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Contractual services	\$ -	\$ 3,544	\$ 105,500	\$ (101,956)
Contributions	55,864	50,100	-	50,100
Capital outlay	1,389	-	-	-
Total Expenditures	<u>\$ 57,253</u>	<u>\$ 53,644</u>	<u>\$ 105,500</u>	<u>\$ (51,856)</u>
Receipts Over (Under) Expenditures	\$ (35,430)	\$ (53,644)		
Unencumbered Cash, Beginning	<u>196,819</u>	<u>161,389</u>		
Unencumbered Cash, Ending	<u>\$ 161,389</u>	<u>\$ 107,745</u>		

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

MEMORIAL HOSPITAL FUND

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
Receipts				
Sales tax revenue	\$ 788,630	\$ 773,371	\$ 780,000	\$ (6,629)
Contributions	-	3,200	-	3,200
Interest income	1,175	560	1,500	(940)
Total Receipts	<u>\$ 789,805</u>	<u>\$ 777,131</u>	<u>\$ 781,500</u>	<u>\$ (4,369)</u>
Expenditures				
Distribution	\$ 750,000	\$ 753,200	\$ 1,350,000	\$ (596,800)
Total Expenditures	<u>\$ 750,000</u>	<u>\$ 753,200</u>	<u>\$ 1,350,000</u>	<u>\$ (596,800)</u>
Receipts Over (Under) Expenditures	\$ 39,805	\$ 23,931		
Unencumbered Cash, Beginning	<u>577,466</u>	<u>617,271</u>		
Unencumbered Cash, Ending	<u>\$ 617,271</u>	<u>\$ 641,202</u>		

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

STREET IMPROVEMENT FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Sales tax revenue	\$ 788,630	\$ 773,371	\$ 781,000	\$ (7,629)
Interest income	2,794	903	2,000	(1,097)
Refund of expenditures	-	1,500	-	1,500
Total Receipts	<u>\$ 791,424</u>	<u>\$ 775,774</u>	<u>\$ 783,000</u>	<u>\$ (7,226)</u>
Expenditures				
Contractual services	\$ 109,442	\$ 47,562	\$ 835,000	\$ (787,438)
Commodities	-	23,710	-	23,710
Operating transfers	590,000	761,314	-	761,314
Total Expenditures	<u>\$ 699,442</u>	<u>\$ 832,586</u>	<u>\$ 835,000</u>	<u>\$ (2,414)</u>
Receipts Over (Under) Expenditures	\$ 91,982	\$ (56,812)		
Unencumbered Cash, Beginning	<u>748,537</u>	<u>840,519</u>		
Unencumbered Cash, Ending	<u>\$ 840,519</u>	<u>\$ 783,707</u>		

CITY OF ARKANSAS CITY, KANSAS

Schedule -2-

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)

CONVENTION CENTER FUND

	<u>2011</u>	<u>2012</u>
Receipts		
Sales	\$ 7,925	\$ -
Interest income	147	58
Total Receipts	<u>\$ 8,072</u>	<u>\$ 58</u>
Expenditures		
Contractual services	\$ 9,300	\$ -
Total Expenditures	<u>\$ 9,300</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ (1,228)	\$ 58
Unencumbered Cash, Beginning	<u>53,314</u>	<u>52,086</u>
Unencumbered Cash, Ending	<u><u>\$ 52,086</u></u>	<u><u>\$ 52,144</u></u>

CITY OF ARKANSAS CITY, KANSAS

Schedule -2-

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)

COMMUNITY CONTRIBUTION FUND

	<u>2011</u>	<u>2012</u>
Receipts		
Contributions/donations	\$ 91,722	\$ 139,751
Total Receipts	<u>\$ 91,722</u>	<u>\$ 139,751</u>
Expenditures		
General government	\$ 27,300	\$ 147,645
Legal counsel	2,187	-
Fire fighting	-	904
Special law enforcement	3,695	4,029
Law enforcement	31,116	9,949
Community policing	4,853	21,225
Cherokee strip museum	20,281	-
Park maintenance	-	2,109
Operating transfers	-	773
Total Expenditures	<u>\$ 89,432</u>	<u>\$ 186,634</u>
Receipts Over (Under) Expenditures	\$ 2,290	\$ (46,883)
Unencumbered Cash, Beginning	<u>68,768</u>	<u>71,058</u>
Unencumbered Cash, Ending	<u><u>\$ 71,058</u></u>	<u><u>\$ 24,175</u></u>

CITY OF ARKANSAS CITY, KANSAS

Schedule -2-

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)

DARE PROGRAM FUND

	<u>2011</u>	<u>2012</u>
Receipts		
Contributions/donations	\$ 7,012	\$ 3,958
Other	725	-
Operating transfers	-	773
Total Receipts	<u>\$ 7,737</u>	<u>\$ 4,731</u>
Expenditures		
Contractual services	\$ 3,711	\$ -
Commodities	7,950	4,335
Contributions	540	175
Total Expenditures	<u>\$ 12,201</u>	<u>\$ 4,510</u>
Receipts Over (Under) Expenditures	\$ (4,464)	\$ 221
Unencumbered Cash, Beginning	<u>5,673</u>	<u>1,209</u>
Unencumbered Cash, Ending	<u>\$ 1,209</u>	<u>\$ 1,430</u>

CITY OF ARKANSAS CITY, KANSAS

Schedule -2-

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)

RENAISSANCE FAIRE FUND

	<u>2011</u>	<u>2012</u>
Receipts		
Contributions/donations	\$ 14,324	\$ -
Total Receipts	<u>\$ 14,324</u>	<u>\$ -</u>
Expenditures		
Contractual services	\$ 10,392	\$ -
Commodities	590	-
Total Expenditures	<u>\$ 10,982</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 3,342	\$ -
Unencumbered Cash, Beginning	<u>-</u>	<u>3,342</u>
Unencumbered Cash, Ending	<u><u>\$ 3,342</u></u>	<u><u>\$ 3,342</u></u>

CITY OF ARKANSAS CITY, KANSAS

Schedule -2-

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)

EQUIPMENT RESERVE FUND

	<u>2011</u>	<u>2012</u>
Receipts		
Interest income	\$ 331	\$ 136
Operating transfers	140,931	149,280
Total Receipts	<u>\$ 141,262</u>	<u>\$ 149,416</u>
Expenditures		
Capital outlay	\$ 58,834	\$ 36,992
Total Expenditures	<u>\$ 58,834</u>	<u>\$ 36,992</u>
Receipts Over (Under) Expenditures	\$ 82,428	\$ 112,424
Unencumbered Cash, Beginning	<u>5,796</u>	<u>88,224</u>
Unencumbered Cash, Ending	<u><u>\$ 88,224</u></u>	<u><u>\$ 200,648</u></u>

CITY OF ARKANSAS CITY, KANSAS

Schedule -2-

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)****PUBLIC BUILDING COMMISSION FUND**

	<u>2011</u>	<u>2012</u>
Receipts		
Bond premium	\$ 1,514,548	\$ 1,884,548
Lease purchase of funds	21,429	6,245
Total Receipts	<u>\$ 1,535,977</u>	<u>\$ 1,890,793</u>
Expenditures		
Principal payment	\$ -	\$ 370,000
Interest	1,514,548	1,514,548
Other construction costs and repair	1,099,493	2,551
Total Expenditures	<u>\$ 2,614,041</u>	<u>\$ 1,887,099</u>
Receipts Over (Under) Expenditures	\$ (1,078,064)	\$ 3,694
Unencumbered Cash, Beginning	<u>3,392,100</u>	<u>2,314,036</u>
Unencumbered Cash, Ending	<u><u>\$ 2,314,036</u></u>	<u><u>\$ 2,317,730</u></u>

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

BOND AND INTEREST FUND

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ 636,435	\$ 668,190	\$ 701,831	\$ (33,641)
Special assessments	15,926	30,015	-	30,015
Motor vehicle tax	117,117	99,781	112,587	(12,806)
Franchise fees	119,316	-	130,000	(130,000)
Reimbursements	302,253	148,228	210,370	(62,142)
Delinquent tax	26,641	6,148	20,000	(13,852)
In lieu of tax	260,013	-	-	-
Operating transfers	-	300,000	270,000	30,000
Total Receipts	\$ 1,477,701	\$ 1,252,362	\$ 1,444,788	\$ (192,426)
Expenditures				
Principal	\$ 1,116,546	\$ 1,195,389	\$ 1,320,000	\$ (124,611)
Interest	188,911	160,924	149,531	11,393
Commission and postage	5	2	-	2
Total Expenditures	\$ 1,305,462	\$ 1,356,315	\$ 1,469,531	\$ (113,216)
Receipts Over (Under) Expenditures	\$ 172,239	\$ (103,953)		
Unencumbered Cash, Beginning	426,283	598,522		
Unencumbered Cash, Ending	\$ 598,522	\$ 494,569		

CITY OF ARKANSAS CITY, KANSAS

Schedule -2-

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)

CONSTRUCTION FUND

	<u>2011</u>	<u>2012</u>
Receipts		
Interest income	\$ 4,473	\$ 774
State revenue	190,569	464,483
Federal revenue	1,607,147	225,328
Sale of temporary notes	-	-
Other	340,868	290,000
Refund of expenditure	-	587
Operating transfers	590,000	761,314
Total Receipts	<u>\$ 2,733,057</u>	<u>\$ 1,742,486</u>
Expenditures		
Payments to contractors	\$ 1,343,838	\$ 1,604,441
Engineering	156,058	176,409
Interest	133,300	133,300
Other construction costs and repair	1,293,549	7,930
Equipment and land	158,543	42,156
Total Expenditures	<u>\$ 3,085,288</u>	<u>\$ 1,964,236</u>
Receipts Over (Under) Expenditures	\$ (352,231)	\$ (221,750)
Unencumbered Cash, Beginning	<u>1,142,066</u>	<u>789,835</u>
Unencumbered Cash, Ending	<u>\$ 789,835</u>	<u>\$ 568,085</u>

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

STORM WATER FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Service charges	\$ 190,703	\$ 193,075	\$ 200,000	\$ (6,925)
Interest	1,255	482	1,000	(518)
Reimbursements	1,555	1,259	100	1,159
Total Receipts	<u>\$ 193,513</u>	<u>\$ 194,816</u>	<u>\$ 201,100</u>	<u>\$ (6,284)</u>
Expenditures				
Personnel services	\$ 73,878	\$ 92,360	\$ 83,850	\$ 8,510
Contractual services	125,416	17,414	90,000	(72,586)
Commodities	-	546	2,000	(1,454)
Capital outlay	-	30,528	35,000	(4,472)
Total Expenditures	<u>\$ 199,294</u>	<u>\$ 140,848</u>	<u>\$ 210,850</u>	<u>\$ (70,002)</u>
Receipts Over (Under) Expenditures	\$ (5,781)	\$ 53,968		
Unencumbered Cash, Beginning	<u>420,040</u>	<u>414,259</u>		
Unencumbered Cash, Ending	<u>\$ 414,259</u>	<u>\$ 468,227</u>		

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

WATER UTILITY FUND

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Water sales	\$ 3,323,120	\$ 3,529,592	\$ 3,021,600	\$ 507,992
Service fees and penalties	137,533	133,912	85,050	48,862
Sales tax	43,846	-	44,000	(44,000)
Interest income	7,348	3,707	6,000	(2,293)
Bad debt collections	65,389	8,805	65,000	(56,195)
Miscellaneous	550	6,185	500	5,685
Reimbursements	12,881	7,049	-	7,049
Total Receipts	\$ 3,590,667	\$ 3,689,250	\$ 3,222,150	\$ 467,100
Expenditures				
Personnel services	\$ 1,163,506	\$ 1,147,819	\$ 1,300,624	\$ (152,805)
Contractual services	420,427	592,471	470,550	121,921
Commodities	551,297	565,010	670,620	(105,610)
Capital outlay	151,840	153,674	286,546	(132,872)
Debt service	305,270	165,024	238,779	(73,755)
Operating transfers	378,274	600,000	370,000	230,000
Total Expenditures	\$ 2,970,614	\$ 3,223,998	\$ 3,337,119	\$ (113,121)
Receipts Over (Under) Expenditures	\$ 620,053	\$ 465,252		
Unencumbered Cash, Beginning	2,010,564	2,630,617		
Unencumbered Cash, Ending	\$ 2,630,617	\$ 3,095,869		

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

SEWER FUND

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
Receipts				
Sewer service	\$ 1,796,963	\$ 1,853,905	\$ 1,800,000	\$ 53,905
Interest income	4,108	3,460	3,500	(40)
Refund of expenditures	20,515	783	-	783
Miscellaneous	2,098	73,137	1,000	72,137
Total Receipts	<u>\$ 1,823,684</u>	<u>\$ 1,931,285</u>	<u>\$ 1,804,500</u>	<u>\$ 126,785</u>
Expenditures				
Personnel services	\$ 657,495	\$ 679,215	\$ 728,040	\$ (48,825)
Contractual services	251,683	225,729	342,100	(116,371)
Commodities	91,376	127,085	229,205	(102,120)
Capital outlay	330,761	102,650	220,095	(117,445)
Debt service	279,214	50,132	-	50,132
Operating transfers	269,501	450,000	250,000	200,000
Total Expenditures	<u>\$ 1,880,030</u>	<u>\$ 1,634,811</u>	<u>\$ 1,769,440</u>	<u>\$ (134,629)</u>
Receipts Over (Under) Expenditures	\$ (56,346)	\$ 296,474		
Unencumbered Cash, Beginning	<u>827,983</u>	<u>771,637</u>		
Unencumbered Cash, Ending	<u>\$ 771,637</u>	<u>\$ 1,068,111</u>		

CITY OF ARKANSAS CITY, KANSAS
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule -2-

For the Year Ended December 31, 2012

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

SANITATION FUND

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Garbage collections	\$ 1,419,116	\$ 1,420,370	\$ 1,407,100	\$ 13,270
Other service fees	12,089	47,340	1,000	46,340
Miscellaneous	880	860	-	860
Interest income	1,305	787	900	(113)
Refund of expenditures	4,708	372	-	372
Total Receipts	<u>\$ 1,438,098</u>	<u>\$ 1,469,729</u>	<u>\$ 1,409,000</u>	<u>\$ 60,729</u>
Expenditures				
Personnel services	\$ 540,506	\$ 695,931	\$ 604,401	\$ 91,530
Contractual services	378,612	363,629	463,800	(100,171)
Commodities	100,782	124,396	148,300	(23,904)
Capital outlay	39,275	23,465	77,500	(54,035)
Operating transfers	141,628	165,000	160,000	5,000
Total Expenditures	<u>\$ 1,200,803</u>	<u>\$ 1,372,421</u>	<u>\$ 1,454,001</u>	<u>\$ (81,580)</u>
Receipts Over (Under) Expenditures	\$ 237,295	\$ 97,308		
Unencumbered Cash, Beginning	<u>288,507</u>	<u>525,802</u>		
Unencumbered Cash, Ending	<u>\$ 525,802</u>	<u>\$ 623,110</u>		

CITY OF ARKANSAS CITY, KANSAS

Schedule -3-

Agency Fund

Schedule of Receipts and Disbursements

Regulatory Basis

For the Year Ended December 31, 2012

	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Municipal Court	\$ 21,618	\$ 84,702	\$ 94,708	\$ 11,612
TOTAL	<u>\$ 21,618</u>	<u>\$ 84,702</u>	<u>\$ 94,708</u>	<u>\$ 11,612</u>