

CITY OF KISMET, KANSAS

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

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CITY OF KISMET, KANSAS
For the Year Ended December 31, 2009

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CITY OF KISMET, KANSAS
 Summary of Cash Receipts, Expenditures and Unencumbered Cash
 For the Year Ended December 31, 2009

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Governmental Type Funds:							
General Fund:							
General Fund	\$ 145,425	\$ -	\$ 162,357	\$ 131,759	\$ 176,023	\$ 1,671	\$ 177,694
Special Revenue Fund:							
Special Highway Fund	134,844	-	12,842	3,171	144,515	-	144,515
Capital Projects Funds:							
Capital Improvement	16,766	-	-	-	16,766	-	16,766
Cap Imp Water/Sewer Fund	728	-	-	-	728	-	728
Proprietary Type Funds:							
Enterprise Funds:							
Water Fund	43,250	-	64,749	54,869	53,130	2,024	55,154
Refuse Fund	68,933	-	34,353	21,844	81,442	80	81,522
Sewer Fund	18,278	-	17,930	12,358	23,850	-	23,850
Customer Deposit Fund	<u>3,724</u>	<u>-</u>	<u>480</u>	<u>-</u>	<u>4,204</u>	<u>-</u>	<u>4,204</u>
Total Reporting Entity	<u>\$ 431,948</u>	<u>\$ -</u>	<u>\$ 292,711</u>	<u>\$ 224,001</u>	<u>\$ 500,658</u>	<u>\$ 3,775</u>	<u>\$ 504,433</u>
Composition of Cash:							
				Community Bank			
				Checking			\$ 213,067
				Savings			212,786
				Certificate of Deposit			72,146
				Plains State Bank			
				Savings			<u>6,434</u>
				Total Reporting Entity			<u>\$ 504,433</u>

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

CITY OF KISMET, KANSAS
 Summary of Expenditures - Actual and Budget
 For the Year Ended December 31, 2009

<u>Funds</u>	<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>
Governmental Type Funds:					
General Fund:					
General	\$ 234,342	\$ -	\$ 234,342	\$ 131,759	\$ (102,583)
Special Revenue Fund:					
Special Highway	172,806	-	172,806	3,171	(169,635)
Capital Projects Funds:					
Capital Improvement Fund	52,682	-	52,682	-	(52,682)
Water Capital Imp Fund	21,842	-	21,842	-	(21,842)
Proprietary Type Fund:					
Enterprise Funds:					
Water Fund	85,997	-	85,997	54,869	(31,128)
Refuse Fund	95,757	-	95,757	21,844	(73,913)
Sewer Fund	31,457	-	31,457	12,358	(19,099)

CITY OF KISMET, KANSAS

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>(Under)</u>
Cash Receipts			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 51,498	\$ 54,707	\$ (3,209)
Delinquent Tax	3,840	-	3,840
Motor Vehicle Tax	14,821	13,357	1,464
Recreational Vehicle Tax	422	244	178
16/20M Vehicle Tax	15	85	(70)
Machinery & Equipment Tax	124	-	124
Local Sales & Compensating Use Tax	54,943	66,000	(11,057)
Franchise Tax	14,004	19,000	(4,996)
Licenses, Fees and Permits	2,281	1,500	781
Rent	6,940	-	6,940
Reimbursed Expenses	4,550	-	4,550
Miscellaneous	7,194	415	6,779
Interest	1,725	3,000	(1,275)
Total Cash Receipts	<u>\$ 162,357</u>	<u>\$ 158,308</u>	<u>\$ 4,049</u>
Expenditures			
Salaries	39,091	46,000	(6,909)
Travel and Education	14,578	14,000	578
Supplies	14,196	7,500	6,696
Insurance	12,488	15,000	(2,512)
Utilities	9,146	15,000	(5,854)
Office Supplies	9,033	6,500	2,533
Equipment Expense	8,650	-	8,650
Building Maintenance	5,832	30,000	(24,168)
Street Lights	5,281	6,000	(719)
Payroll Tax	3,035	-	3,035
Employee Benefits	2,214	-	2,214
Repairs and Maintenance	299	35,000	(34,701)
Library	254	11	243
Sales Tax	94	-	94
Transfers Out	-	51,842	(51,842)
Planning	-	4,989	(4,989)
Fire Department	-	2,500	(2,500)
Miscellaneous	7,568	-	7,568
Total Expenditures	<u>\$ 131,759</u>	<u>\$ 234,342</u>	<u>\$ (102,583)</u>
Cash Receipts Over (Under) Expenditures	30,598		
Unencumbered Cash, Beginning	145,425		
Prior Year Canceled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 176,023</u>		

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

CITY OF KISMET, KANSAS
Special Highway Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Gas Tax	<u>\$ 12,842</u>	<u>\$ 15,520</u>	<u>\$ (2,678)</u>
Total Cash Receipts	<u>12,842</u>	<u>15,520</u>	<u>(2,678)</u>
Expenditures			
Street Repairs	1,764	172,806	(171,042)
Equipment Repairs and Maintenance	1,304	-	1,304
Insurance	75	-	75
Miscellaneous	<u>28</u>	<u>-</u>	<u>28</u>
Total Expenditures	<u>\$ 3,171</u>	<u>\$ 172,806</u>	<u>\$(169,635)</u>
Cash Receipts Over (Under) Expenditures	9,671		
Unencumbered Cash, Beginning	134,844		
Prior Year Canceled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 144,515</u>		

CITY OF KISMET, KANSAS
 Capital Improvement Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
Transfers In	\$ -	\$ 30,000	\$ (30,000)
Total Cash Receipts	<u>-</u>	<u>30,000</u>	<u>(30,000)</u>
Expenditures			
Improvements and Repairs	<u>-</u>	<u>52,682</u>	<u>(52,682)</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 52,682</u>	<u>\$ (52,682)</u>
Cash Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	16,766		
Prior Year Canceled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 16,766</u>		

CITY OF KISMET, KANSAS
 Capital Improvements Water/Sewer Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue:			
Reimbursed Expenditures	\$ -	\$ -	\$ -
Transfers In	-	<u>21,842</u>	<u>(21,842)</u>
Total Cash Receipts	<u>\$ -</u>	<u>\$ 21,842</u>	<u>\$ (21,842)</u>
Expenditures			
Debt Service	-	11,197	(11,197)
Improvements and Repairs	-	<u>10,645</u>	<u>(10,645)</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 21,842</u>	<u>\$ (21,842)</u>
Cash Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	728		
Prior Year Canceled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 728</u>		

CITY OF KISMET, KANSAS
Water Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>(Under)</u>
Cash Receipts			
Charges for Services	\$ 64,749	\$ 64,902	\$ (153)
 Total Cash Receipts	 <u>\$ 64,749</u>	 <u>\$ 64,902</u>	 <u>\$ (153)</u>
 Expenditures			
Repairs and Maintenance	18,451	50,497	(32,046)
Fuel and Utilities	13,052	15,000	(1,948)
Debt Service	11,197	-	11,197
Salaries	7,766	14,000	(6,234)
Supplies	1,480	1,500	(20)
Employee Benefits	1,411	-	1,411
Travel and Education	898	2,500	(1,602)
Payroll Taxes	603	-	603
Office Supplies	-	1,500	(1,500)
Water Meter Expense	-	1,000	(1,000)
Miscellaneous	<u>11</u>	<u>-</u>	<u>11</u>
 Total Expenditures	 <u>\$ 54,869</u>	 <u>\$ 85,997</u>	 <u>\$(31,128)</u>
 Cash Receipts Over (Under) Expenditures	 9,880		
 Unencumbered Cash, Beginning	 43,250		
Prior Year Canceled Encumbrances	<u>-</u>		
 Unencumbered Cash, Ending	 <u>\$ 53,130</u>		

CITY OF KISMET, KANSAS
 Refuse Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
Charges for Services	<u>\$ 34,353</u>	<u>\$ 38,000</u>	<u>\$ (3,647)</u>
 Total Cash Receipts	 <u>\$ 34,353</u>	 <u>\$ 38,000</u>	 <u>\$ (3,647)</u>
 Expenditures			
Salaries and wages	8,877	16,000	(7,123)
Landfill Expense	6,352	8,000	(1,648)
Repairs and Maintenance	3,569	20,007	(16,438)
Employee Benefits	1,411	-	1,411
Supplies	702	1,000	(298)
Payroll Taxes	688	-	688
Trash Truck Expense	127	50,000	(49,873)
Travel and Education	<u>118</u>	<u>750</u>	<u>(632)</u>
 Total Expenditures	 <u>\$ 21,844</u>	 <u>\$ 95,757</u>	 <u>\$ (73,913)</u>
 Cash Receipts Over (Under) Expenditures	 12,509		
 Unencumbered Cash, Beginning	 68,933		
Prior Year Canceled Encumbrances	<u> -</u>		
 Unencumbered Cash, Ending	 <u>\$ 81,442</u>		

CITY OF KISMET, KANSAS
 Sewer Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
Charges for Services	<u>17,930</u>	<u>18,542</u>	<u>(612)</u>
 Total Cash Receipts	 <u>\$ 17,930</u>	 <u>\$ 18,542</u>	 <u>\$ (612)</u>
 Expenditures			
Repairs and Maintenance	7,078	17,957	(10,879)
Supplies	4,722	12,000	(7,278)
Salary and Wages	335	1,500	(1,165)
Travel and Education	187	-	187
Payroll Taxes	26	-	26
Miscellaneous Expense	<u>10</u>	<u>-</u>	<u>10</u>
 Total Expenditures	 <u>\$ 12,358</u>	 <u>\$ 31,457</u>	 <u>\$ (19,099)</u>
 Cash Receipts Over (Under) Expenditures	 5,572		
 Unencumbered Cash, Beginning	 18,278		
Prior Year Canceled Encumbrances	<u>-</u>		
 Unencumbered Cash, Ending	 <u>\$ 23,850</u>		

CITY OF KISMET, KANSAS
 Customer Deposit Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009

	<u>Actual</u>
Cash Receipts	
Meter Deposits	\$ <u>480</u>
Total Cash Receipts	<u>480</u>
Expenditures	
Water Meter Deposit Expense	<u>-</u>
Total Expenditures	<u>-</u>
Cash Receipts Over (Under) Expenditures	480
Unencumbered Cash, Beginning	3,724
Prior Year Cancelled Encumbrances	<u>-</u>
Unencumbered Cash, Ending	\$ <u><u>4,204</u></u>

CITY OF KISMET, KANSAS
Notes to the Financial Statements
December 31, 2009

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

A. Reporting Entity

The City of Kismet is a municipal corporation governed by an elected five-member council. These financial statements present only the activity of the City of Kismet (the primary government).

B. Reimbursements

A reimbursement is an expenditure or expense initially made in one fund, but properly attributable to another fund. For example, it is common for the general fund to pay a vendor's bill and have portions of it reimbursed by other funds. In accounting for such reimbursements, the City of Kismet records an expenditure (or expense) in the reimbursing fund and a reduction of expenditure (or expense) in the reimbursed fund, following the authoritative guidance of the *Governmental Accounting, Auditing and Financial Reporting*.

C. Basis of Accounting

1. *Statutory Basis of Accounting* - The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and expenditure would be charged in the fund from which the transfer is made.

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 municipality to use the statutory basis of accounting.

2. *Departure from Accounting Principles Generally Accepted in the United States of America* - The basis of accounting described above results in a financial statement presentation, which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services

CITY OF KISMET, KANSAS
Notes to the Financial Statements
December 31, 2009

NOTE 1: SUMMARY OF ACCOUNTING POLICIES (continued)

received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings and equipment owned by the municipality are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes and compensated absences are not presented in the financial statements.

D. Basis of Presentation

Fund Financial Statements – Fund financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. The City’s funds are organized into two major categories: governmental and proprietary. The City presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories.

The funds of the City are as follows:

1. *Governmental Funds*

- a. General Fund – The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.
- b. Special Revenue Fund – Special Revenue funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the City. The City’s Special Highway fund is reported as a special revenue fund. The Special Highway fund accounts for gasoline excise taxes legally restricted for highway maintenance and improvements.
- c. Capital Project Funds – Capital project funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The City includes the following capital project funds:
 - i. *Capital Improvement Fund* – accounts for contributions and specific revenues and transfers from other City funds and expenditures for various capital projects as the City Council may designate.
 - ii. *Capital Improvement Water/Sewer Fund* – accounts for specific revenues, reimbursements and transfers from other City funds and expenditures for construction of water well and various capital projects related to the water and sewer systems as the City Council may designate.

2. *Proprietary Funds*

- a. Enterprise Funds – Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The City includes the following enterprise funds:

CITY OF KISMET, KANSAS
Notes to the Financial Statements
December 31, 2009

NOTE 1: SUMMARY OF ACCOUNTING POLICIES (continued)

- i. *Water Fund* – accounts for the activities of the public trust in providing water services to the public.
- ii. *Trash Fund* – accounts for the activities of the public trust in providing refuse services to the public.
- iii. *Sewer Fund* – accounts for the activities of the public trust in providing wastewater and sanitation services to the public.

E. Tax Calendar

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 rates calculated, the clerk certifies the tax roll to the County Treasurer.

Taxes are levied on or before each November 1 and are payable in full or in two installments on or before December 20 and May 10. The County Treasurer prepares the tax statements and collects payments. The County Treasurer distributes the taxes to the City.

NOTE 2: 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. 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 final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are

CITY OF KISMET, KANSAS
Notes to the Financial Statements
December 31, 2009

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

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 statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, fiduciary funds, and permanent funds.

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

B. Compliance with Finance-Related Legal and Contractual Provisions

Finance-related legal and contractual provisions include Kansas statutes, regulations, contracts, debt covenants or other agreements. No material violations of finance-related legal and contractual provision were noted for the year ended December 31, 2009.

NOTE 3: DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. The City had no investments at December 31, 2009.

CITY OF KISMET, KANSAS
Notes to the Financial Statements
December 31, 2009

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

A. 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.

B. 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%. The City has not designated “peak periods”. All deposits were legally secured at December 31, 2009.

At December 31, 2009 the City’s carrying amount of deposits was \$504,433 and the bank balance was \$519,570. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$256,434 was covered by federal depository insurance, and \$263,136 was collateralized with securities held under joint custody receipts issued by a third-party bank in the City’s name. The third-party bank holding the pledged securities is independent of the pledging bank.

NOTE 4: LONG-TERM DEBT

Changes in long-term debt for the City for the year ended December 31, 2009 are as follows:

Issue	KDHE Loan
Interest Rate	3.36%
Date of Issue	April 16, 2007
Amount of Issue	\$ 159,719.82
Date of Final Maturity	February 1, 2028

	Balance Beginning of Year	Additions	Reductions/ Payment	Net Change	Balance End of Year	Interest Paid
Total long-term debt	\$159,719.82	\$ -0-	\$ 6,023.79	\$ (6,023.79)	\$ 153,696.03	\$4,634.14

CITY OF KISMET, KANSAS
Notes to the Financial Statements
December 31, 2009

NOTE 4: LONG-TERM DEBT (continued)

Current maturities of long-term debt and interest to be paid from the enterprise fund for the next five years and in five year increments through maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Service Fee and Interest</u>	<u>Total</u>
2010	\$ 6,081.33	\$ 5,115.45	\$ 11,196.78
2011	6,287.38	4,909.40	11,196.78
2012	6,500.41	4,696.37	11,196.78
2013	6,720.66	4,476.12	11,196.78
2014	6,948.36	4,248.42	11,196.78
2015-2019	38,436.90	17,547.00	55,983.90
2020-2024	45,404.99	10,578.91	55,983.90
2025-2028	<u>37,316.00</u>	<u>2,604.59</u>	<u>39,920.59</u>
Totals	<u>\$153,696.03</u>	<u>\$ 54,176.26</u>	<u>\$207,872.29</u>

NOTE 5: COMPENSATED ABSENCES

Vacation accrues at five days a year for full time employees upon completion of one year of service. Vacation accrual increases to ten days after three years of service. Vacation time does not carryover from year to year. Sick leave accrues at five days per year for full-time employees and accumulates. The estimated liability for compensated absences is \$96 at December 31, 2009.

NOTE 6: CONTINGENCIES

The City is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters.