

**CITY OF AMERICUS**

**LYON COUNTY, KANSAS**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**For the Year Ended December 31, 2011**

**ALDRICH AND COMPANY LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
COUNCIL GROVE, KS 66846**

CITY OF AMERICUS  
LYON COUNTY, KANSAS

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011

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Independent Auditors' Report

Mayor and City Council  
City of Americus, Kansas

We have audited the accompanying primary government financial statements of the City of Americus, Kansas, as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents. These statutory basis financial statements are the responsibility of City of Americus, Kansas, management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the City's 2010 financial statements and, in our report dated November 2, 2011, we expressed an unqualified opinion of the respective financial statements, taken as a whole, on the statutory basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the guidance in the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. The primary government financial statements referred to above do not include the financial data of component units of the City of Americus, Kansas, as of December 31, 2011. The effect on the financial statements of the omission of the component units, although not reasonably determinable, is presumed to be material.

As described in Note A, the City of Americus, Kansas, prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of differences between these regulatory practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the omission of the discretely presented component units, as discussed above, and because of the effects of the matter discussed in the preceding paragraph, the financial statements do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Americus, Kansas, as of December 31, 2011, or the changes in its financial position or cash flows for the year then ended.

Also, in our opinion, the statutory basis financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the primary government of the City of Americus, Kansas, as of December 31, 2011, and its cash receipts and expenditures and budgetary results, for the year then ended, taken as a whole, on the basis of accounting described in Note A.

*Aldrich & Company, LLC*

Aldrich & Company LLC  
Certified Public Accountants

November 26, 2012

City of Americus  
Lyon County, Kansas

Statement 1

Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended December 31, 2011

| Fund                        | Beginning<br>Unencumbered<br>Cash Balance | Cash<br>Receipts | Expenditures | Ending<br>Unencumbered<br>Cash Balance | Add<br>Outstanding<br>Encumbrances<br>and Accounts<br>Payable | Ending<br>Cash Balance |
|-----------------------------|---|------------------|--------------|--|---|------------------------|
| General Fund                | \$ 169,641                                | \$ 283,490       | \$ 205,370   | \$ 247,761                             | \$ 18,072   | \$ 265,833             |
| Special Revenue Funds       |   |                  |              |  |   |                        |
| Employee Benefits           | 8,165                                     | 13,125           | 21,389       | (99)                                   | 2,128   | 2,029                  |
| Special Highway             | 48,962                                    | 26,315           | 11,259       | 64,018                                 | 10,052  | 74,070                 |
| Parks & Recreation          | 3,090                                     | 31,177           | 29,868       | 4,399                                  | 1,069   | 5,468                  |
| Special Law Enforcement     | 5,680                                     | 1,750            | 428          | 7,002                                  | 0   | 7,002                  |
| Special Parks & Recreation  | 8,807                                     | 2,018            | 0            | 10,825                                 | 0   | 10,825                 |
| Capital Improvement Reserve | 143,574                                   | 1,841            | 6,092        | 139,323                                | 5,131   | 144,454                |
| Special Equipment Reserve   | 26,372                                    | 7,000            | 19,714       | 13,658                                 | 0   | 13,658                 |
| Enterprise Funds            |   |                  |              |  |   |                        |
| Trash Collection            | 5,959                                     | 50,302           | 50,338       | 5,923                                  | 3,923   | 9,846                  |
| Sewer Utility               | 238,661                                   | 137,561          | 154,446      | 221,776                                | 3,304   | 225,080                |
| Total Reporting Entity      | \$ 658,911                                | \$ 554,579       | \$ 498,904   | \$ 714,586                             | \$ 43,679   | \$ 758,265             |

Composition of Cash:

|                         |            |
|-------------------------|------------|
| Checking                | \$ 571,307 |
| Checking-pool           | 166        |
| Certificates of Deposit | 186,712    |
| Petty cash              | 80         |
|                         | \$ 758,265 |

The accompanying notes are an integral part of this statement.

City of Americus  
Lyon County, Kansas

Statement 2

Summary of Expenditures – Actual and Budget  
(Budgeted Funds Only)  
For the Year Ended December 31, 2011

| FUNDS                      | Certified<br>Budget | Adjustment<br>for Qualifying<br>Budget Credits | Total<br>Budget for<br>Comparison | Expenditures<br>Chargeable to<br>Current Year | Variance<br>Favorable<br>(Unfavorable) |
|----------------------------|---------------------|--|-----------------------------------|---|--|
| General                    | \$ 329,250          |  | \$ 329,250                        | \$ 205,370                                    | \$ 123,880                             |
| Special Revenue            |                     |  |                                   |   |  |
| Employee Benefits          | 25,650              |  | 25,650                            | 21,389  | 4,261                                  |
| Special Highway            | 71,300              |  | 71,300                            | 11,259  | 60,041                                 |
| Parks & Recreation         | 37,100              |  | 37,100                            | 29,868  | 7,232                                  |
| Special Law Enforcement    | 4,000               |  | 4,000                             | 428   | 3,572                                  |
| Special Parks & Recreation | 7,000               |  | 7,000                             | 0   | 7,000                                  |
| Enterprise                 |                     |  |                                   |   |  |
| Trash Collection           | 54,600              |  | 54,600                            | 50,338  | 4,262                                  |
| Sewer Utility              | 169,512             |  | 169,512                           | 154,446                                       | 15,066                                 |

The accompanying notes are an integral part of this statement.

City of Americus  
Lyon County, Kansas

Statement 3-1

GENERAL FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(with comparative actual totals for the prior year ended December 31, 2010)

|                                 | Prior<br>Year<br>Actual | Current Year     |                  | Variance<br>Favorable<br>(Unfavorable) |
|---------------------------------|-------------------------|------------------|------------------|--|
|                                 |                         | Actual           | Budget           |  |
| <b>Cash Receipts</b>            |                         |                  |                  |  |
| Taxes                           | \$ 122,227              | \$ 133,604       | \$ 133,941       | \$ (337)                               |
| Intergovernmental               | 93,489                  | 98,255           | 62,623           | 35,632                                 |
| Licences and permits            | 4,483                   | 3,691            | 3,250            | 441                                    |
| Franchise fees                  | 31,152                  | 29,580           | 30,000           | (420)                                  |
| Use of money and property       | 1,082                   | 834              | 1,200            | (366)                                  |
| Fines and fees                  | 15,350                  | 14,084           | 8,000            | 6,084                                  |
| Other                           | 3,422                   | 3,442            | 1,500            | 1,942                                  |
| Transfer from other funds       | 0                       | 0                | 0                | 0                                      |
| <b>Total Cash Receipts</b>      | <b>271,205</b>          | <b>283,490</b>   | <b>240,514</b>   | <b>42,976</b>                          |
| <b>Expenditures</b>             |                         |                  |                  |  |
| <b>General government</b>       |                         |                  |                  |  |
| Personal services               | 40,703                  | 41,771           | 51,000           | 9,229                                  |
| Contractual                     | 44,540                  | 28,943           | 36,500           | 7,557                                  |
| Commodities                     | 9,561                   | 6,341            | 10,500           | 4,159                                  |
| Capital outlay                  | 0                       | 0                | 5,000            | 5,000                                  |
| FEMA and expense reimbursement  | 16,873                  | 0                | 0                | 0                                      |
| <b>Total General government</b> | <b>111,677</b>          | <b>77,055</b>    | <b>103,000</b>   | <b>25,945</b>                          |
| <b>Police and fire</b>          |                         |                  |                  |  |
| Personal services               | 20,779                  | 24,653           | 32,400           | 7,747                                  |
| Contractual                     | 33,902                  | 35,246           | 38,900           | 3,654                                  |
| Commodities                     | 2,974                   | 6,794            | 9,950            | 3,156                                  |
| Capital outlay                  | 0                       | 9,600            | 0                | (9,600)                                |
| Transfers to other funds        | 5,000                   | 2,000            | 2,000            | 0                                      |
| <b>Total Police and fire</b>    | <b>\$ 62,655</b>        | <b>\$ 78,293</b> | <b>\$ 83,250</b> | <b>\$ 4,957</b>                        |

The accompanying notes are an integral part of this statement.

City of Americus  
Lyon County, Kansas

Statement 3-1

GENERAL FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(with comparative actual totals for the prior year ended December 31, 2010)

|                                    | Prior<br>Year<br>Actual | Current Year      |                    | Variance<br>Favorable<br>(Unfavorable) |
|------------------------------------|-------------------------|-------------------|--------------------|--|
|                                    |                         | Actual            | Budget             |  |
| Expenditures (cont)                |                         |                   |                    |  |
| Parks and recreation               |                         |                   |                    |  |
| Personal services                  | \$ 2,000                | \$ 6,000          | \$ 8,000           | \$ 2,000                               |
| Contractual                        | 103                     | 6,575             | 500                | (6,075)                                |
| Commodities                        | 0                       | 0                 | 9,000              | 9,000                                  |
| Transfer to other funds            | 1,000                   | 0                 | 50,000             | 50,000                                 |
| Total parks and recreation         | <u>3,103</u>            | <u>12,575</u>     | <u>67,500</u>      | <u>54,925</u>                          |
| Streets-personal service           | 16,627                  | 20,758            | 15,000             | (5,758)                                |
| Streets                            | 11,988                  | 16,689            | 60,500             | 43,811                                 |
| Transfers to other funds           | <u>0</u>                | <u>0</u>          | <u>0</u>           | <u>0</u>                               |
| Total Expenditures                 | <u>206,050</u>          | <u>205,370</u>    | <u>329,250</u>     | <u>123,880</u>                         |
| Receipts Over (Under) Expenditures | 65,155                  | 78,120            | <u>\$ (88,736)</u> | <u>\$ 166,856</u>                      |
| Unencumbered Cash, January 1       | <u>104,486</u>          | <u>169,641</u>    |                    |  |
| Unencumbered Cash, December 31     | <u>\$ 169,641</u>       | <u>\$ 247,761</u> |                    |  |

The accompanying notes are an integral part of this statement.

City of Americus  
Lyon County, Kansas

Statement 3-2

SPECIAL REVENUE FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(with comparative actual totals for the prior year ended December 31, 2010)

EMPLOYEE BENEFITS

|                                    | Prior<br>Year<br>Actual | Current Year   |                    | Variance<br>Favorable<br>(Unfavorable) |
|------------------------------------|-------------------------|----------------|--------------------|--|
|                                    |                         | Actual         | Budget             |  |
| Cash Receipts                      |                         |                |                    |  |
| Taxes                              | \$ 21,643               | \$ 13,003      | \$ 12,851          | \$ 152                                 |
| Reimbursed expense                 | 1,620                   | 122            | 0                  | 122                                    |
| Total cash receipts                | <u>23,263</u>           | <u>13,125</u>  | <u>12,851</u>      | <u>274</u>                             |
| Expenditures                       |                         |                |                    |  |
| Payroll taxes & work comp          | 13,264                  | 14,255         | 13,650             | (605)                                  |
| Health insurance                   | 9,601                   | 7,134          | 12,000             | 4,866                                  |
| Total expenditures                 | <u>22,865</u>           | <u>21,389</u>  | <u>25,650</u>      | <u>4,261</u>                           |
| Receipts Over (Under) Expenditures | 398                     | (8,264)        | <u>\$ (12,799)</u> | <u>\$ 4,535</u>                        |
| Unencumbered Cash, January 1       | <u>7,767</u>            | <u>8,165</u>   |                    |  |
| Unencumbered Cash, December 31     | <u>\$ 8,165</u>         | <u>\$ (99)</u> |                    |  |

The accompanying notes are an integral part of this statement.



City of Americus  
Lyon County, Kansas

Statement 3-3

SPECIAL REVENUE FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(with comparative actual totals for the prior year ended December 31, 2010)

SPECIAL HIGHWAY

|   | Prior<br>Year<br>Actual | Current Year  |                    | Variance<br>Favorable<br>(Unfavorable) |
|---|-------------------------|---------------|--------------------|--|
|   |                         | Actual        | Budget             |  |
| <b>Cash Receipts</b>                      |                         |               |                    |  |
| State of Kansas - gas tax                 | \$ 24,082               | \$ 23,108     | \$ 25,420          | \$ (2,312)                             |
| Special city & county highway             | 2,675                   | 2,750         | 2,620              | 130                                    |
| Reimbursed expense                        | 17,898                  | 457           | 1,000              | (543)                                  |
| Reimbursed expense-FEMA                   | 12,193                  | 0             | 0                  | 0                                      |
| <b>Total cash receipts</b>                | <b>56,848</b>           | <b>26,315</b> | <b>29,040</b>      | <b>(2,725)</b>                         |
| <b>Expenditures</b>                       |                         |               |                    |  |
| Street repair and maintenance             | 35,666                  | 6,259         | 66,300             | 60,041                                 |
| Transfer to other funds                   | 5,000                   | 5,000         | 5,000              | 0                                      |
| <b>Total expenditures</b>                 | <b>40,666</b>           | <b>11,259</b> | <b>71,300</b>      | <b>60,041</b>                          |
| <b>Receipts Over (Under) Expenditures</b> | <b>16,182</b>           | <b>15,056</b> | <b>\$ (42,260)</b> | <b>\$ 57,316</b>                       |
| Unencumbered Cash, January 1              | 32,780                  | 48,962        |                    |  |
| Unencumbered Cash, December 31            | \$ 48,962               | \$ 64,018     |                    |  |

The accompanying notes are an integral part of this statement.

City of Americus  
Lyon County, Kansas

Statement 3-4

SPECIAL REVENUE FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(with comparative actual totals for the prior year ended December 31, 2010)

PARKS & RECREATION

|                                    | Prior<br>Year<br>Actual | Current Year    |                   | Variance<br>Favorable<br>(Unfavorable) |
|------------------------------------|-------------------------|-----------------|-------------------|--|
|                                    |                         | Actual          | Budget            |  |
| Cash Receipts                      |                         |                 |                   |  |
| Taxes                              | \$ 27,254               | \$ 24,529       | \$ 24,241         | \$ 288                                 |
| Charges for services               | 5,883                   | 6,523           | 6,000             | 523                                    |
| Other                              | 3,321                   | 125             | 0                 | 125                                    |
| Reimbursed expense                 | <u>1,500</u>            | <u>0</u>        | <u>0</u>          | <u>0</u>                               |
| Total cash receipts                | <u>37,958</u>           | <u>31,177</u>   | <u>30,241</u>     | <u>936</u>                             |
| Expenditures                       |                         |                 |                   |  |
| Parks                              |                         |                 |                   |  |
| Personal services                  | 3,430                   | 320             | 5,500             | 5,180                                  |
| Contractual                        | 3,417                   | 3,305           | 3,500             | 195                                    |
| Commodities                        | <u>2,196</u>            | <u>4,145</u>    | <u>3,800</u>      | <u>(345)</u>                           |
| Total parks                        | <u>9,043</u>            | <u>7,770</u>    | <u>12,800</u>     | <u>5,030</u>                           |
| Swimming pool                      |                         |                 |                   |  |
| Personal services                  | 14,240                  | 12,778          | 12,500            | (278)                                  |
| Contractual                        | 8,415                   | 2,604           | 1,600             | (1,004)                                |
| Commodities                        | 6,148                   | 6,716           | 10,200            | 3,484                                  |
| Capital outlay                     | <u>0</u>                | <u>0</u>        | <u>0</u>          | <u>0</u>                               |
| Total swimming pool                | <u>28,803</u>           | <u>22,098</u>   | <u>24,300</u>     | <u>2,202</u>                           |
| Total Expenditures                 | <u>37,846</u>           | <u>29,868</u>   | <u>37,100</u>     | <u>7,232</u>                           |
| Receipts Over (Under) Expenditures | 112                     | 1,309           | <u>\$ (6,859)</u> | <u>\$ 8,168</u>                        |
| Unencumbered Cash, January 1       | <u>2,978</u>            | <u>3,090</u>    |                   |  |
| Unencumbered Cash, December 31     | <u>\$ 3,090</u>         | <u>\$ 4,399</u> |                   |  |

The accompanying notes are an integral part of this statement.

City of Americus  
Lyon County, Kansas

Statement 3-5

SPECIAL REVENUE FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(with comparative actual totals for the prior year ended December 31, 2010)

SPECIAL LAW ENFORCEMENT

|                                    | Prior<br>Year<br>Actual | Current Year    |                   | Variance<br>Favorable<br>(Unfavorable) |
|------------------------------------|-------------------------|-----------------|-------------------|--|
|                                    |                         | Actual          | Budget            |  |
| Cash Receipts                      |                         |                 |                   |  |
| Diversion collections              | \$ 1,914                | \$ 1,750        | \$ 1,500          | \$ 250                                 |
| Other                              | <u>0</u>                | <u>0</u>        | <u>0</u>          | <u>0</u>                               |
| Total Cash Receipts                | <u>1,914</u>            | <u>1,750</u>    | <u>1,500</u>      | <u>250</u>                             |
| Expenditures                       |                         |                 |                   |  |
| Contractual                        | 60                      | 235             | 0                 | (235)                                  |
| Commodities                        | <u>1,511</u>            | <u>193</u>      | <u>4,000</u>      | <u>3,807</u>                           |
| Total Expenditures                 | <u>1,571</u>            | <u>428</u>      | <u>4,000</u>      | <u>3,572</u>                           |
| Receipts Over (Under) Expenditures | 343                     | 1,322           | <u>\$ (2,500)</u> | <u>\$ 3,822</u>                        |
| Unencumbered Cash, January 1       | <u>5,337</u>            | <u>5,680</u>    |                   |  |
| Unencumbered Cash, December 31     | <u>\$ 5,680</u>         | <u>\$ 7,002</u> |                   |  |

The accompanying notes are an integral part of this statement.

City of Americus  
Lyon County, Kansas

Statement 3-6

SPECIAL REVENUE FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(with comparative actual totals for the prior year ended December 31, 2010)

SPECIAL PARKS & RECREATION

|                                    | Prior<br>Year<br>Actual | Current Year     |                   | Variance<br>Favorable<br>(Unfavorable) |
|------------------------------------|-------------------------|------------------|-------------------|--|
|                                    |                         | Actual           | Budget            |  |
| Cash Receipts                      |                         |                  |                   |  |
| Intergovernmental                  | \$ 2,578                | \$ 2,018         | \$ 2,624          | \$ (606)                               |
| Reimbursed expense-FEMA            | <u>3,180</u>            | <u>0</u>         | <u>0</u>          | <u>0</u>                               |
| Total Cash Receipts                | <u>5,758</u>            | <u>2,018</u>     | <u>2,624</u>      | <u>(606)</u>                           |
| Expenditures                       |                         |                  |                   |  |
| Contractual                        | 3,000                   | 0                | 4,500             | 4,500                                  |
| Commodities                        | <u>3,180</u>            | <u>0</u>         | <u>2,500</u>      | <u>2,500</u>                           |
| Total Expenditures                 | <u>6,180</u>            | <u>0</u>         | <u>7,000</u>      | <u>7,000</u>                           |
| Receipts Over (Under) Expenditures | (422)                   | 2,018            | <u>\$ (4,376)</u> | <u>\$ 6,394</u>                        |
| Unencumbered Cash, January 1       | <u>9,229</u>            | <u>8,807</u>     |                   |  |
| Unencumbered Cash, December 31     | <u>\$ 8,807</u>         | <u>\$ 10,825</u> |                   |  |

The accompanying notes are an integral part of this statement.

City of Americus  
Lyon County, Kansas

Statement 3-7

SPECIAL REVENUE FUND  
Statement of Cash Receipts and Expenditures  
For the Year Ended December 31, 2011  
(with comparative actual totals for the prior year ended December 31, 2010)

CAPITAL IMPROVEMENT RESERVE

|                                    | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|------------------------------------|-------------------------|---------------------------|
| Cash Receipts                      |                         |                           |
| Loan proceeds                      | \$ 0                    | \$ 0                      |
| Grants                             | 0                       | 0                         |
| Reimbursed expense                 | 0                       | 0                         |
| Special assessments                | <u>2,602</u>            | <u>1,841</u>              |
| Total Cash Receipts                | 2,602                   | 1,841                     |
| Expenditures                       |                         |                           |
| Capital improvements               | <u>3,000</u>            | <u>6,092</u>              |
| Total Expenditures                 | <u>3,000</u>            | <u>6,092</u>              |
| Receipts Over (Under) Expenditures | (398)                   | (4,251)                   |
| Unencumbered Cash, January 1       | <u>143,972</u>          | <u>143,574</u>            |
| Unencumbered Cash, December 31     | <u>\$ 143,574</u>       | <u>\$ 139,323</u>         |

The accompanying notes are an integral part of this statement.

City of Americus  
Lyon County, Kansas

Statement 3-8

SPECIAL REVENUE FUND  
Statement of Cash Receipts and Expenditures  
For the Year Ended December 31, 2011  
(with comparative actual totals for the prior year ended December 31, 2010)

SPECIAL EQUIPMENT RESERVE

|                                    | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|------------------------------------|-------------------------|---------------------------|
| Cash Receipts                      |                         |                           |
| Transfers in                       | \$ 11,000               | \$ 7,000                  |
| Other                              | <u>0</u>                | <u>0</u>                  |
| Total Receipts                     | 11,000                  | 7,000                     |
| Expenditures                       |                         |                           |
| Equipment                          | <u>4,799</u>            | <u>19,714</u>             |
| Receipts Over (Under) Expenditures | 6,201                   | (12,714)                  |
| Unencumbered Cash, January 1       | <u>20,171</u>           | <u>26,372</u>             |
| Unencumbered Cash, December 31     | <u>\$ 26,372</u>        | <u>\$ 13,658</u>          |

The accompanying notes are an integral part of this statement.

City of Americus  
Lyon County, Kansas

Statement 3-9

ENTERPRISE FUND  
Statement of Cash Receipts and Expenditures - Actual And Budget  
For the Year Ended December 31, 2011  
(with comparative actual totals for the prior year ended December 31, 2010)

TRASH COLLECTION

|                                    | Prior<br>Year<br>Actual | Current Year           |                          | Variance<br>Favorable<br>(Unfavorable) |
|------------------------------------|-------------------------|------------------------|--------------------------|--|
|                                    |                         | Actual                 | Budget                   |  |
| Cash Receipts                      |                         |                        |                          |  |
| Charges for services               | \$ 49,966               | \$ 49,781              | \$ 50,700                | \$ (919)                               |
| Other                              | <u>0</u>                | <u>521</u>             | <u>0</u>                 | <u>521</u>                             |
| Total Cash Receipts                | <u>49,966</u>           | <u>50,302</u>          | <u>50,700</u>            | <u>(398)</u>                           |
| Expenditures                       |                         |                        |                          |  |
| Personal services                  | 2,948                   | 2,758                  | 3,300                    | 542                                    |
| Contractual services               | 48,760                  | 47,580                 | 50,500                   | 2,920                                  |
| Commodities                        | 0                       | 0                      | 800                      | 800                                    |
| Transfer to other funds            | <u>0</u>                | <u>0</u>               | <u>0</u>                 | <u>0</u>                               |
| Total Expenditures                 | <u>51,708</u>           | <u>50,338</u>          | <u>54,600</u>            | <u>4,262</u>                           |
| Receipts Over (Under) Expenditures | (1,742)                 | (36)                   | <u><u>\$ (3,900)</u></u> | <u><u>\$ 3,864</u></u>                 |
| Unencumbered Cash, January 1       | <u>7,701</u>            | <u>5,959</u>           |                          |  |
| Unencumbered Cash, December 31     | <u><u>\$ 5,959</u></u>  | <u><u>\$ 5,923</u></u> |                          |  |

The accompanying notes are an integral part of this statement.

City of Americus  
Lyon County, Kansas

Statement 3-10

ENTERPRISE FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(with comparative actual totals for the prior year ended December 31, 2010)

SEWER UTILITY

|                                    | Prior<br>Year<br>Actual | Current Year      |                    | Variance<br>Favorable<br>(Unfavorable) |
|------------------------------------|-------------------------|-------------------|--------------------|--|
|                                    |                         | Actual            | Budget             |  |
| <b>Cash Receipts</b>               |                         |                   |                    |  |
| Charges for services               | \$ 138,240              | \$ 137,511        | \$ 142,000         | \$ (4,489)                             |
| Connecting/cleaning fees           | 76                      | 50                | 0                  | 50                                     |
| KDHE loan                          | 28,257                  | 0                 | 0                  | 0                                      |
| <b>Total cash receipts</b>         | <u>166,573</u>          | <u>137,561</u>    | <u>142,000</u>     | <u>(4,439)</u>                         |
| <b>Expenditures</b>                |                         |                   |                    |  |
| Personal services                  | 12,666                  | 14,560            | 19,000             | 4,440                                  |
| Contractual                        | 24,029                  | 25,196            | 38,500             | 13,304                                 |
| Commodities                        | 2,433                   | 10,178            | 7,500              | (2,678)                                |
| Capital outlay                     | 0                       | 0                 | 0                  | 0                                      |
| Debt service                       | 104,853                 | 104,512           | 104,512            | 0                                      |
| <b>Total Expenditures</b>          | <u>143,981</u>          | <u>154,446</u>    | <u>169,512</u>     | <u>15,066</u>                          |
| Receipts Over (Under) Expenditures | 22,592                  | (16,885)          | <u>\$ (27,512)</u> | <u>\$ 10,627</u>                       |
| Unencumbered Cash, January 1       | <u>216,069</u>          | <u>238,661</u>    |                    |  |
| Unencumbered Cash, December 31     | <u>\$ 238,661</u>       | <u>\$ 221,776</u> |                    |  |

The accompanying notes are an integral part of this statement.



City of Americus  
Lyon County, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The more significant of the City's accounting policies are described below.

1. Reporting Entity

The City of Americus, Kansas was organized in 1857 and operates as a third class city in accordance with the laws of the State of Kansas. The City has a population of approximately 950 and is governed by an elected mayor and five-member council. This report includes all services provided by the City to residents and businesses within its boundaries. Services provided include parks and recreation, fire and police protection, street maintenance and general administrative services. In addition, the City owns and operates two major enterprise activities, a trash collection and local sewer system.

The City is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate. These financial statements present only the City of Americus (the primary government). The City of Americus has a component unit, the Americus Rural Fire Department, which should be, but is not included, in these financial statements. Component units are determined based on the significance of the operational and/or financial relationships with the City.

2. Basis of Presentation

These financial statements are presented on the statutory basis of accounting, which demonstrates 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. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund.

Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, 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.

3. Departure from Generally Accepted Accounting Principles

The municipality has approved a resolution, 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. This basis of accounting results in a financial statement presentation which shows cash receipts, cash disbursements, 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 reservation of fund balances; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. 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.

City of Americus  
Lyon County, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

4. Fund Accounting

The accounts of the city are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for separately. Funds are classified into three categories; governmental, proprietary and fiduciary. Within each of these three categories there are one or more fund types. The City uses the following fund types:

Governmental Fund Types

General Fund - The general fund is the general operating fund of the city and accounts for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Proprietary Fund Types

Enterprise Funds - The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing services to the general public on a continuing basis is financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

5. Budgets

Applicable Kansas statutes require that budgets be legally adopted for all funds (including debt service and enterprise funds) unless exempted by a specific statute. All budgets are prepared utilizing the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the city for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulation, other statutes, or by the use of internal spending limits established by the governing body.

Although directory rather than mandatory, the statutes provide for the following sequence and timetable in adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
- b. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5<sup>th</sup>.
- d. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
- e. Adoption of final budget on or before August 25<sup>th</sup>.

The statutes allow 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 budget amended. There were no budget amendments in 2011.

The statutes permit transferring budgeted amounts between line items within an individual fund. The City Council approves all significant changes. Expenditures may not legally exceed budgeted appropriations at the fund level. All unencumbered and unexpended appropriations lapse at year-end.

City of Americus  
Lyon County, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

6. Investments and Depository Security

Kansas statutes authorize the city to invest idle funds in time deposits, open accounts, U.S. government securities, repurchase agreements, temporary notes, no-fund warrants, the State Municipal Investment Pool and certificates of deposit with maturities of not more than two years. The City or its agent in the City's name must hold all investments. The City has no investment policy that would further limit its investment choices.

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.

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. A bank within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka may hold the collateral, which is valued at market value. All deposits were legally secured at December 31, 2011.

7. Ad Valorem Tax Revenues and Property Taxes

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations based on real estate transactions recorded by the Register of Deeds and personal property transactions reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the County.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property tax is due December 20<sup>th</sup> prior to the fiscal year for which they are budgeted, and the second half is due the following May 10<sup>th</sup>. The county treasurer collects and distributes the property taxes. In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the following year's operation.

Undistributed taxes from the prior year levy are recognized as income in the current year. It is not practicable to apportion delinquent taxes held by the county treasurer at year end and, further, the amounts are not material in relationship to the financial statements taken as a whole.

8. Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. The related disbursement was made in the current year on behalf of the payee,
2. The item paid for was directly identifiable as having been used by or provided to the payee, and
3. The amount of the reimbursement is directly related to the amount of the original cash disbursement.

9. Inventories and Prepaid Expenses

Inventories and prepaid expenses that benefit future periods are recorded as expenditures during the year of purchase as required by state statutes.

City of Americus  
Lyon County, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

10. Compensated Absences

City employees may earn up to three weeks of paid vacation per year. Payment in lieu of the vacation days is not permitted and carry-over is limited to a maximum of five vacation days. Vacation leave is payable upon termination. Employees also earn up to twelve days per year sick leave with a maximum carry-over of ten days. Three days of sick leave may be re-deemed for one personal day once a year. Sick pay is forfeited upon termination. Employees also receive two discretionary days per year. Payment in lieu of discretionary days is not permitted. The costs of accumulated compensated absences are not recorded at the time the benefits are accumulated, but rather at the time such benefits are paid. No estimate has been made of the total accumulated leave nor has any been included in these statements.

NOTE B - DEPOSITS AND INVESTMENTS

Cash balances from all funds are combined and invested, to the extent possible in interest bearing accounts and certificates of deposit. All investments are stated at cost. Earnings from these investments, unless specifically designated, are allocated to the general fund. All investments are held in the City's name.

At year-end the carrying amount of the city's deposits, excluding petty cash funds, was \$758,185. Actual bank statement balances were \$758,159. The difference between the carrying amount and the bank balance is composed of checks that have not cleared and deposits in transit. Of the bank balance, \$436,871 was covered by federal deposit insurance and \$321,288 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name. The third-party bank is independent of the pledging bank.

NOTE C – LOANS PAYABLE

The loan payable to the Kansas Department of Health and Environment, for wastewater treatment improvements, approved amount \$1,637,000, advanced total \$1,637,000, is payable from revenues of the Sewer Utility. The loan, which bears interest at 2.57%, is to be retired in semi-annual installments of \$52,256 through calendar year 2027. No lien or other security interest is granted to the Kansas Department of Health and Environment, however should Sewer Utility revenues be insufficient to pay costs of operation and maintenance of the system and pay the principal, interest and other amounts due under the loan agreement, the City shall levy ad valorem taxes to produce the required amounts.

Changes in long term debt are as follows:

|           | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Payments</u>  | <u>Ending<br/>Balance</u> | <u>Interest<br/>Paid</u> |
|-----------|------------------------------|------------------|------------------|---------------------------|--------------------------|
| KDHE loan | <u>\$ 1,398,260</u>          | <u>\$ 0</u>      | <u>\$ 69,018</u> | <u>\$1,329,242</u>        | <u>\$35,494</u>          |

Maturities of the loan for the next five years and in five year increments thereafter are as follows:

| <u>Year</u> | <u>Principal</u>   | <u>Interest</u>   | <u>Total</u>       |
|-------------|--------------------|-------------------|--------------------|
| 2012        | 70,802             | 33,710            | 104,512            |
| 2013        | 72,634             | 31,878            | 104,512            |
| 2014        | 74,512             | 30,000            | 104,512            |
| 2015        | 76,440             | 28,072            | 104,512            |
| 2016        | 78,417             | 26,095            | 104,512            |
| 2017-2021   | 423,578            | 98,982            | 522,560            |
| 2022-2026   | 481,266            | 41,294            | 522,560            |
| 2027        | <u>51,593</u>      | <u>663</u>        | <u>52,256</u>      |
| Total       | <u>\$1,329,242</u> | <u>\$ 290,694</u> | <u>\$1,619,936</u> |

City of Americus  
Lyon County, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2011

NOTE D – LEASE

In December 2010, the City entered into a lease with Clune & Company for the lease of a Grasshopper mower. An initial payment of \$1,195 including the documentation fee was made in December. Thirty-four monthly payments of \$550 are scheduled. Payments are being made from the special equipment fund.

Changes in the lease are as follows:

|       | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Payments</u> | <u>Ending<br/>Balance</u> | <u>Interest<br/>Paid</u> |
|-------|------------------------------|------------------|-----------------|---------------------------|--------------------------|
| Mower | <u>\$ 16,525</u>             | <u>\$ 0</u>      | <u>\$ 4,910</u> | <u>\$11,615</u>           | <u>\$1,693</u>           |

Maturities of the lease are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>    |
|-------------|------------------|-----------------|-----------------|
| 2012        | 5,443            | 1,160           | 6,603           |
| 2013        | <u>6,172</u>     | <u>431</u>      | <u>6,603</u>    |
| Total       | <u>\$11,615</u>  | <u>\$ 1,591</u> | <u>\$13,206</u> |

NOTE E - PENSION PLAN

The City of Americus participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple employer defined benefit pension plan as provided by KSA 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Topeka, Kansas 66603-3803) or by calling 1-888-275-5737.

KSA 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve bases. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate for 2011 established by statute was 7.74% with a one percent reduction for the months of April, May and June. The City of Americus' employer contributions to KPERS for the year ended December 31, 2011, 2010, and 2009, were \$4,076, \$3,600, and \$3,452, respectively, equal to the required contributions for the years.

NOTE F – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Insurance claims have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in prior years.

City of Americus  
Lyon County, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2011

NOTE G – COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the municipality.

The annual publication of the city's financial statements in accordance with K.S.A. 12-1608 was not made.

Management is not aware of any other items of noncompliance with Kansas statutes.

NOTE H – COMPARATIVE INFORMATION

The amounts shown for 2010 in the financial statements are included, where practicable, only to provide a basis for comparison with 2011, and are not intended to present all information necessary for a fair presentation in accordance with the cash basis and budget laws of the State of Kansas. Interfund eliminations have not been made in the aggregation of this data.

NOTE I – TRANSFERS

The City transferred monies between funds as allowed by applicable Kansas statutes. The following schedule details transfers made in 2011.

| Transferred from: | Transferred to:   | Statute  | Amount |
|-------------------|-------------------|----------|--------|
| General           | Equipment Reserve | 12-1,117 | 2,000  |
| Special Highway   | Equipment Reserve | 12-1,117 | 5,000  |