

**CITY OF COLBY, KANSAS**

Primary Government Financial Statement  
With Independent Auditors' Report

For the Year Ended December 31, 2012

**CITY OF COLBY, KANSAS**  
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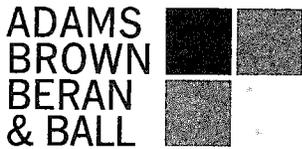
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Phone (785)462-7501 Fax (785)462-3172 www.abbb.com

505-D North Franklin

P.O. Box 10 Colby, Kansas 67701

Certified  
Public  
Accountants

## INDEPENDENT AUDITORS' REPORT

To the City Council  
**City of Colby, Kansas**  
Colby, Kansas

We have audited the accompanying primary government summary statement of regulatory basis receipts, expenditures, and unencumbered cash of **City of Colby, Kansas**, as of and for the year ended December 31, 2012 and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Adverse Opinion on Aggregate Discretely Presented Related Municipal Entities**

The financial statement referred to above does not include financial data for the City's legally separate related municipal entities Pioneer Memorial Library, Colby Recreation Commission, and Colby Housing Authority. Accounting principles generally accepted in the United States of America require financial data

for those related municipal entities 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 related municipal entities. The City has not issued such reporting entity financial statements. The effect on the financial statements of this departure from accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### **Adverse Opinion on Aggregate Discretely Presented Related Municipal Entities**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Aggregate Discretely Presented Related Municipal Entities" paragraph, the financial statement referred to above does not present fairly the financial position of the aggregate discretely presented related municipal entities of **City of Colby, Kansas**, as of December 31, 2012, or the changes in financial position thereof for the year then ended.

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

As described in Note 1, the financial statement is prepared by **City of Colby, 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 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

#### **Adverse Opinion on Aggregate Remaining Fund Information**

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on Aggregate Discretely Presented Related Municipal Entities" and "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraphs, the financial statement referred to above does not present fairly, in all material respects, the financial position of the aggregate remaining fund information of **City of Colby, Kansas** as of December 31, 2012, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **City of Colby, Kansas** as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* as described in Note 1.

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the summary statement of receipts, expenditures and unencumbered cash (basic financial statement) as a whole. The summary of expenditures – actual and budget, individual fund schedules of receipts and expenditures, and summary of receipts and expenditures – agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional 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*. The schedule of expenditures of federal awards is presented for purposes of additional

analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. 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 basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the 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 basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2013, on our consideration of **City of Colby, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **City of Colby, Kansas'** internal control over financial reporting and compliance.

*Adams, Brown, Beran & Ball Chtd*

**ADAMS, BROWN, BERAN & BALL, CHTD.**  
Certified Public Accountants

May 21, 2013

**CITY OF COLBY, KANSAS**  
 Summary Statement of Receipts, Expenditures and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended December 31, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Funds</b>							
<b>General Fund</b>	\$ 852,965	19,680	2,628,316	2,630,206	870,755	282,151	1,152,906
<b>Special Purpose Funds</b>							
Library Fund	11,499	-	230,452	240,824	1,127	-	1,127
Recreation Fund	6,917	-	138,246	143,130	2,033	-	2,033
Noxious Weed Fund	17,032	-	3,852	5,073	15,811	2,630	18,441
Special Fire and Police Fund	55,937	-	41,505	12,615	84,827	-	84,827
Special Street Fund	486,976	-	145,997	189,925	443,048	182,425	625,473
Special Liability Fund	11,549	-	17,916	16,795	12,670	-	12,670
Special Parks and Recreation Fund	23,549	-	28,993	27,658	24,884	31,708	56,592
Employee Benefits Fund	246,652	-	882,323	959,040	169,935	650	170,585
Risk Management Reserve Fund	373,523	-	1,443	1,383	373,583	-	373,583
Municipal Equipment Reserve Fund	1,244,321	-	275,817	93,355	1,426,783	14,464	1,441,247
Capital Improvement Reserve Fund	2,775,174	-	301,316	341,377	2,735,113	111,485	2,846,598
Convention/Tourism Fund	45,720	-	220,598	215,465	50,853	-	50,853
Economic Development Fund	1,557,668	-	521,425	65,820	2,013,273	6,000	2,019,273
Water Treatment Fund	(40,273)	-	404,943	598,744	(234,074)	10,355	(223,719)
E911 Fund	5,106	-	186,650	52,627	139,129	809	139,938
<b>Bond and Interest Fund</b>							
Bond and Interest Fund	155,798	-	1,185,722	1,256,623	84,897	-	84,897
<b>Capital Project Funds</b>							
Financed Projects Fund	503,601	-	3,203,268	2,869,088	837,781	116,030	953,811
Tax Incentive Financing Revenue Fund	134,810	5,942	268,705	99,815	309,642	-	309,642
<b>Business Funds</b>							
Electric Utility Fund	1,402,269	1,265	5,707,968	5,540,721	1,570,781	1,102,350	2,673,131
Water Utility Fund	942,698	745	1,197,303	1,007,356	1,133,390	273,905	1,407,295
Sewage Disposal Utility Fund	359,586	200	1,120,630	1,145,100	335,316	117,956	453,272
Solid Waste Disposal Utility Fund	91,127	-	568,640	646,997	12,770	64,294	77,064
Meter Deposits Fund	-	-	57,095	57,095	-	338,059	338,059
Electric Reserve for Depreciation Fund	1,679,953	-	-	-	1,679,953	-	1,679,953
Water Reserve for Depreciation Fund	501,405	-	200,000	-	701,405	-	701,405
<b>Trust Fund</b>							
Special Law Enforcement Trust Fund	1,974,630	-	22,864	79,389	1,918,105	415	1,918,520
<b>Total Primary Government (Excluding Agency Funds)</b>	<u>\$ 15,420,192</u>	<u>27,832</u>	<u>19,561,987</u>	<u>18,296,221</u>	<u>16,713,790</u>	<u>2,655,686</u>	<u>19,369,476</u>

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

**CITY OF COLBY, KANSAS**  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended December 31, 2012

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<b>Composition of Cash</b>	Checking Accounts	\$ 12,519,997
	Petty Cash	300
	Certificates of Deposit	<u>6,875,000</u>
	Total Cash	19,395,297
	Agency Funds per Schedule 3	<u>(25,821)</u>
	<b>Total Primary Government (Excluding Agency Funds)</b>	<b>\$ <u>19,369,476</u></b>

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

**CITY OF COLBY, KANSAS**  
Notes to Financial Statement  
December 31, 2012

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**City of Colby, Kansas** has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

**Use of Estimates**

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

**Financial Reporting Entity**

The City is a municipal corporation governed by an elected eight-member council. This financial statement does not include the related municipal entities shown below. A related municipal entity is an entity established to benefit the City and/or its constituents.

**Housing Authority**

The City's Housing Authority operates the City's housing projects. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Audited financial statements can be obtained by contacting the housing authority's office.

**Pioneer Memorial Library Board**

The City's Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City. Audited financial statements can be obtained by contacting the library.

**Recreation Commission**

The City's Recreation Commission oversees recreation activities. The recreation commission operates as a separate governing body but the City levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. Audited financial statements can be obtained by contacting the recreation commission's office.

The City is the primary government as defined in GASB #61. The City council is elected by the public. The council has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

**Basis of Presentation – Fund Accounting**

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

**CITY OF COLBY, KANSAS**  
Notes to Financial Statement  
December 31, 2012

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**Regulatory Basis Fund Types**

**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 the acquisition or construction of major capital facilities or equipment.

**Business Fund** – fund financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service funds, etc.).

**Trust Fund** – fund used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

**Agency Fund** – fund used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

**Basis of Accounting**

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

**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 expenses, 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 received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land,

**CITY OF COLBY, KANSAS**  
Notes to Financial Statement  
December 31, 2012

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buildings, and equipment owned by the City are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, and temporary notes are not presented in the financial statements.

**Property Tax Calendar**

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

**Restricted Assets**

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the trust and agency funds of the City for special purposes.

**Reimbursements**

The City records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparison, the expenditures (or expenses) are properly offset by the reimbursements.

**NOTE 2 – BUDGETARY INFORMATION**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. 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 10 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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

**CITY OF COLBY, KANSAS**  
Notes to Financial Statement  
December 31, 2012

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

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Risk Management Reserve Fund and E911 Fund.

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

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**City of Colby** follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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.

**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 K.S.A. 9-1405.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not use "peak periods". All deposits were legally secured at December 31, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$19,395,297 and the bank balance was \$19,979,935. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$4,022,588 was covered by federal depository insurance and \$15,957,347 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

**CITY OF COLBY, KANSAS**  
Notes to Financial Statement  
December 31, 2012

**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. The City had no investments at December 31, 2012.

**NOTE 4 – INTERFUND TRANSFERS**

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Colby, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2012 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Capital Improvements Reserve Fund	K.S.A. 12-1,118	\$ 76,198
General Fund	Municipal Equipment Reserve Fund	K.S.A. 12-1, 117	139,666
Electric Utility Fund	General Fund	K.S.A. 12-825d	337,660
Electric Utility Fund	Capital Improvement Reserve Fund	K.S.A. 12-1,118	59,411
Electric Utility Fund	Municipal Equipment Fund	K.S.A. 12-1,117	26,060
Electric Utility Fund	Employee Benefit Fund	K.S.A. 12-16,102	248,452
Water Utility Fund	General Fund	K.S.A. 12-825d	62,738
Water Utility Fund	Capital Improvement Reserve Fund	K.S.A. 12-1,118	50,000
Water Utility Fund	Water Reserve for Depreciation Fund	K.S.A. 12-825d	200,000
Water Utility Fund	Employee Benefit Fund	K.S.A. 12-16,102	72,264
Sewage Disposal Utility Fund	General Fund	K.S.A. 12-825d	37,879
Sewage Disposal Utility Fund	Capital Improvement Reserve Fund	K.S.A. 12-1,118	50,000
Sewage Disposal Utility Fund	Municipal Equipment Reserve Fund	K.S.A. 12-1,117	36,000
Sewage Disposal Utility Fund	Employee Benefit Fund	K.S.A. 12-16,102	43,032
Solid Waste Disposal Utility Fund	Municipal Equipment Reserve Fund	K.S.A. 12-1,117	66,390
Solid Waste Disposal Utility Fund	General Fund	K.S.A. 12-825d	33,999
Solid Waste Disposal Utility Fund	Employee Benefit Fund	K.S.A. 12-16,102	74,563
Special Parks and Recreation Fund	Capital Improvement Reserve Fund	K.S.A. 12-1,118	15,000
Special Fire and Police Fund	Municipal Equipment Reserve Fund	K.S.A. 12-1, 117	5,000
Special Law Enforcement Fund	Employee Benefit Fund	K.S.A. 12-16,102	21,030
Financed Projects Fund	Bond and Interest Fund	K.S.A. 12-6a16	822,042
Financed Projects Fund	General Fund	K.S.A. 12-187	8,073
TIF Revenue Fund	Bond and Interest Fund	K.S.A. 12-6a16	99,815
Municipal Equipment Reserve Fund	Water Utility Fund	Per Council	8,500

**NOTE 5 – CAPITAL PROJECTS**

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

**CITY OF COLBY, KANSAS**  
Notes to Financial Statement  
December 31, 2012

	<u>Project Authorization</u>	<u>Cash Disbursements and Accounts Payable To Date</u>
Aquatic Park Overflow Parking Lot	\$ 129,323	\$ 129,323
Webster Water Line Replacement	181,191	180,387
Demolition of Pool, Wasterwater Treatment Plant, and Water Storage Facility	93,900	93,900
2012 Distribution Line	300,311	300,311
Spill Prevention, Control & Containment Facilities	205,642	205,642
South Franklin Park	165,485	140,485
KDOT Project (4 <sup>th</sup> Street and Range Avenue)	199,925	199,925
SCADA System Upgrade	150,405	137,366
Electric & Water Meters and Automated Meter Reading Equipment	1,784,636	1,784,636

**NOTE 6 – LITIGATION**

**City of Colby, Kansas** is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City.

**NOTE 7 – RISK MANAGEMENT**

**City of Colby, Kansas** carries commercial insurance for risks of loss, including property, general liability, inland marine, crime, automobile, umbrella, and employee dishonesty. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 8 – GRANTS AND SHARED REVENUES**

**City of Colby, Kansas** participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the City, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

**NOTE 9 – RELATED PARTY TRANSASCTIONS**

**City of Colby, Kansas** entered into arm's length transactions with the following council members during the year ended December 31, 2012.

Lang Diesel Raymond Weber, City Council Member	<b>\$4,178</b>
Midwest Energy Fred Taylor, City Council Member	<b>\$3,126,130</b>
S & T Telephone Pat Mallory, City Council Member	<b>\$42,695</b>

**CITY OF COLBY, KANSAS**  
Notes to Financial Statement  
December 31, 2012

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**NOTE 10 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The City failed to remit to the state fiscal agent at least 20 days before the day of maturity of a bond or the interest thereon, funds sufficient for the redemption of such bonds and the payment of the interest thereon per KSA 10-130.

**NOTE 11 – OPERATING LEASES**

The City entered into a dark fiber lease agreement with S & T Telephone Cooperative Association on August 25, 2004, for the use of one fiber on their fiber route. Term of the lease shall be for a period of one year and may be extended by mutual agreement between the parties. The lease calls for an annual payment of \$1,800 with the first payment due September 1, 2004, and subsequent annual renewal payments due the first day of September each year thereafter. This lease has been extended for an additional year.

The City entered into a tower lease agreement with S & T Communications, LLC, on August 3, 2004, for the use of a communications tower. Term of the lease is for a period of one year and may be extended one year at a time upon mutual agreement of the parties. The lease amount is \$1.00 per foot/month of elevation on the tower based on the actual location of communication equipment placed by the lessee on the tower with the first payment due on September 1, 2004, and any subsequent annual payments due the first day of September each year thereafter. This lease has been extended for an additional year.

The City entered into a master equipment lease agreement with Banc of America Public Capital Corp on August 30, 2007, for the use of energy management equipment. Term of the lease is for a period of one year and may be extended by mutual agreement between the parties for ten consecutive renewal periods. The lease amount is \$2,818 per month and the first payment was due August 30, 2007. The lease has been extended for an additional year.

**NOTE 12 – DEFERRED COMPENSATION PLAN**

**City of Colby, Kansas** sponsors a deferred compensation plan under Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The City is not required to make any contributions.

**NOTE 13 – DEFINED BENEFIT PENSION PLAN**

Plan Description

**City of Colby, Kansas** participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S 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 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

**CITY OF COLBY, KANSAS**  
Notes to Financial Statement  
December 31, 2012

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establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

**NOTE 14 – OTHER POST EMPLOYMENT BENEFITS**

As provided by K.S.A. 12-5040, **City of Colby, Kansas** 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 these financial statements.

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.

**NOTE 15 – COMPENSATED ABSENCES**

**Vacation**

The City's policy regarding vacation entitles regular full-time employees with up to and completion of 5 continuous years of service since date of last hire to receive 10 days per year at their regular rate of pay. Regular full-time employees completing more than 5 continuous years of service since date of last hire to receive 15 days per year at their regular pay.

Any employee who has earned vacation but has not used it as of date of termination or resignation will receive payment for the vacation at regular rates upon termination or resignation. Employees are allowed to carry over no more than three earned vacation days. All leave carried over must be used by July 1<sup>st</sup> of the following year. This is not reflected in the financial statement.

**Sick Leave**

All regular full-time employees earn sick leave at the rate of 1 day per month with a maximum accumulation of 120 days. No unused sick leave is paid upon termination or resignation. The potential liability for sick leave at December 31, 2012, was \$632,750. This is not reflected in the financial statement.

**NOTE 16 – CONTINGENCIES**

On December 10, 2008, **City of Colby, Kansas** entered into a contract with Embark Healthcare, Inc. This contract provided the terms of repayment by Embark Healthcare, Inc. to **City of Colby, Kansas** for the financing of equipment purchases and working capital as specified in the CDBG application submitted by the City to the Kansas Department of Commerce.

Repayment terms of this contract are as follows:

Monthly payments of principal and interest for 60 months beginning July 1, 2010	\$8,932
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In order to make this project fundable with CDBG grant funds, the City agreed to remit the first \$200,000 of the proceeds that arise from the foreclosure or other disposition of the real property to the Kansas

**CITY OF COLBY, KANSAS**  
Notes to Financial Statement  
December 31, 2012

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Department of Commerce. The CDBG loan was secured by the equipment and working capital assets of Embark Healthcare, Inc.'s operations in Colby.

The economic development project attempted by Embark Healthcare, Inc. was not successful. Embark Healthcare, Inc. closed operations prior to December 31, 2009, and during 2010 the City foreclosed on Embark Healthcare, Inc. assets and began the disposition process. The City conducted a sale of Embark office assets on December 11, 2010. The majority of the assets sold totaled \$28,168 (\$1,745 sales tax included). The Kansas Department of Commerce authorized the City to keep \$11,073, for moving office assets from Daytona of \$6,073 and the roof deductible for hail damage on the Embark Healthcare, Inc. building of \$5,000. The remainder of \$15,350 owed to the Department of Commerce was encumbered at December 31, 2010. The City conducted an additional sale on Ebay in December 2010 and received gross proceeds of \$4,810, net proceeds were \$4,188 after sales tax and fees. The City has a contingent liability to remit the sale proceeds from these assets to the Kansas Department of Commerce.

**NOTE 17 – DEBT RESTRICTIONS AND COVENANTS**

**KDHE Sewer Plant Loan**

**City of Colby, Kansas** entered into a loan agreement with the Kansas Department of Health and Environment to fund the sewer plant in the amount of \$8,755,230. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2012 as it is providing funds through a combination of sewer rates and fees.

A portion of the loan in the amount of \$70,500 was funded with ARRA funds, and the City received principal forgiveness in the amount of \$35,250 in 2009. The final actual amount of the loan and the amount of principal forgiveness may be reduced without revision of any other terms, provisions, or conditions of this loan agreement, other than the repayment schedule, to reflect reductions in the estimated or actual total project costs as impacted by opening of bids for construction, change orders, final actual costs, and prepayments.

**NOTE 18 – JOINT VENTURE**

Thomas County Economic Development Alliance is a qualifying regional economic development organization promoting and encouraging economic development in City of Colby and Thomas County, Kansas. In December 2008, City of Colby and Thomas County, Kansas entered into a Interlocal Agreement and each shall contribute financial support of 50%. Unaudited financial statements can be obtained by contacting the economic development office.

**NOTE 19 – CONDUIT DEBT**

From time to time, **City of Colby, Kansas** 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 generally payable from and secured by the project financed and if needed, additional assets or revenues of the private-sector entities serviced by the bond issuance. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

**CITY OF COLBY, KANSAS**  
Notes to Financial Statement  
December 31, 2012

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Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2012 there were two industrial revenue bonds outstanding. One is for Truck Town and the other Petro Lube. The principal amounts payable at December 31, 2012 totaled \$2,442,738.

**NOTE 20 – LONG-TERM DEBT**

**City of Colby, Kansas** has the following types of long-term debt.

**General Obligation Bond**

On June 1, 2004, the City issued \$545,000 in Refunding Bonds – Series 2004 for the purpose of refunding \$515,000 in Main Trafficway Improvement (4<sup>th</sup> Street and Range) Temporary Notes – Series 2003, which were issued to finance a portion of the costs of the improvements.

On June 15, 2005, the City issued \$1,585,000 in Series 2005 Bonds for the purpose of providing funds to pay a portion of the costs of certain public building and main trafficway improvements.

On May 1, 2009, the City issued \$360,000 in Series 2009 general obligation bonds for the purpose of refunding a portion of \$2,500,000 in Temporary Notes – Series 2008 for the construction of the fire station.

On March 1, 2010, the City issued \$2,720,000 in Series 2010-1 general obligation bonds for the purpose of refunding a portion of \$2,680,000 in Temporary Notes – Series 2008 and 2009 for the construction of the fire station, ball field lighting, and Sewell Avenue paving.

On August 1, 2010, the City issued \$5,000,000 in Series 2010-2 general obligation bonds for the purpose of refunding a portion of \$1,000,000 in Temporary Notes – Series 2009 for the construction of an aquatic center and to finance a portion of the aquatic center project improvements.

On May 1, 2011, the City issued \$1,130,000 in Series 2011 general obligation tax increment financing bonds for the purpose of financing the cost of the Redevelopment Project associated with the improvement of pavement, markings, curb and gutter and storm drainage on Willow Road.

**Tax Incremental Financing**

On May 1, 2011, the City issued \$1,130,000 in General Obligation Tax Increment Financing Bonds to finance the costs of the redevelopment project associated with improving Willow Road to facilitate access to the truck stop, restaurant, and hotel in the redevelopment district. The bonds shall be a general obligation of the City payable from property tax revenues from the redevelopment district and sale tax revenues consisting of the 0.75% aquatic center sales tax and the 0.25% economic development sales tax.

The 0.25% economic development sales tax sunset on March 31, 2012, as the TCEDA thought there were ample funds for economic development.

**KDHE Revolving Loan**

The City entered into a \$8,755,230 revolving loan agreement on March 14, 2006 with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance the construction of a sludge treatment facility and several collection system upgrade projects. The City will use proceeds generated by the operation of the facility for loan repayment, which began September 1, 2007.

**CITY OF COLBY, KANSAS**  
Notes to Financial Statement  
December 31, 2012

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**Lease Obligations**

The City has entered into a lease agreement with an option to purchase at the expiration of the lease terms. The leases contain a fiscal funding clause.

CITY OF COLBY, KANSAS  
Notes to Financial Statement  
December 31, 2012

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>General Obligation Bonds</b>									
Series 2004 Refunding, 4th St & Range	3.25% - 4.0%	6/1/2004	\$ 545,000	2014	\$ 185,000	-	60,000	125,000	6,065
Series 2005	3.1% - 3.8%	6/15/2005	1,585,000	2016	885,000	-	170,000	715,000	31,895
Series 2009 Fire Station	0%	5/1/2009	360,000	2019	288,000	-	36,000	252,000	-
Series 2010-1	2.57%	3/1/2010	2,720,000	2019	2,285,000	-	260,000	2,025,000	55,865
Series 2010-2	2.35%	8/1/2010	5,000,000	2020	4,570,000	-	445,000	4,125,000	91,983
Series 2011	2.5% - 4.2%	5/1/2011	1,130,000	2025	1,050,000	-	65,000	985,000	34,815
<b>KDHE Loan</b>									
Sewer Project Debt	2.77%	3/14/2006	8,755,230	2027	6,993,532	-	366,838	6,626,694	173,942
<b>Capital Leases Payable</b>									
Water and Electric Meters and Automated Meter Reading Equipment	2.70%	4/1/2012	1,784,636	2027	-	1,784,636	64,601	1,720,035	31,960
<b>Total Contractual Indebtedness</b>					<b>\$ 16,256,532</b>	<b>1,784,636</b>	<b>1,467,439</b>	<b>16,573,729</b>	<b>426,525</b>

**CITY OF COLBY, KANSAS**  
Notes to Financial Statement  
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							Total
	2013	2014	2015	2016	2017	2018-2022	2023-2027	
<b>Principal</b>								
General Obligation Bonds	\$ 1,066,000	1,096,000	1,061,000	1,086,000	926,000	2,732,000	260,000	8,227,000
KHDE Loan	377,070	387,587	398,398	409,510	420,932	2,287,455	2,345,742	6,626,694
Capital Leases Payable	99,636	102,360	105,158	107,928	110,983	602,043	591,927	1,720,035
<b>Total Principal</b>	<b>1,542,706</b>	<b>1,585,947</b>	<b>1,564,556</b>	<b>1,603,438</b>	<b>1,457,915</b>	<b>5,621,498</b>	<b>3,197,669</b>	<b>16,573,729</b>
<b>Interest</b>								
General Obligation Bonds	201,273	180,593	159,148	136,233	110,063	217,990	21,795	1,027,095
KHDE Loan	164,633	155,065	145,231	135,121	124,730	457,354	150,491	1,332,625
Capital Leases Payable	45,205	42,481	39,683	36,913	33,858	122,162	35,717	356,019
<b>Total Interest</b>	<b>411,111</b>	<b>378,139</b>	<b>344,062</b>	<b>308,267</b>	<b>268,651</b>	<b>797,506</b>	<b>208,003</b>	<b>2,715,739</b>
<b>Total Principal and Interest</b>	<b>\$ 1,953,817</b>	<b>1,964,086</b>	<b>1,908,618</b>	<b>1,911,705</b>	<b>1,726,566</b>	<b>6,419,004</b>	<b>3,405,672</b>	<b>19,289,468</b>



Phone (785)462-7501 Fax (785)462-3172 www.abbb.com  
505-D North Franklin  
P.O. Box 10 Colby, Kansas 67701

Certified  
Public  
Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the City Council  
**City of Colby, Kansas**  
Colby, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Accounting and Audit Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **City of Colby, Kansas**, as of and for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated May 21, 2013. The report on the audited financial statement was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered **City of Colby, Kansas'** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **City of Colby, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **City of Colby, Kansas'** internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **City of Colby, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws,

regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

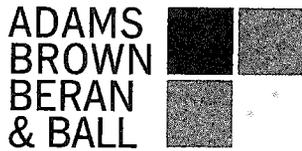
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Adams, Brown, Beran & Ball Chtd*

**ADAMS, BROWN, BERAN & BALL, CHTD.**

Certified Public Accountants

May 21, 2013



Phone (785)462-7501 Fax (785)462-3172 www.abbb.com

505-D North Franklin

P.O. Box 10 Colby, Kansas 67701

Certified  
Public  
Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
AS REQUIRED BY OMB CIRCULAR A-133**

To the City Council  
**City of Colby, Kansas**  
Colby, Kansas

**Report on Compliance for Each Major Federal Program**

We have audited **City of Colby, Kansas'** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of **City of Colby, Kansas'** major federal programs for the year ended December 31, 2012. **City of Colby, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of **City of Colby, Kansas'** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **City of Colby, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **City of Colby, Kansas'** compliance.

**Opinion on Each Major Federal Program**

In our opinion, **City of Colby, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

### Report on Internal Control Over Compliance

Management of **City of Colby, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **City of Colby, Kansas'** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **City of Colby, Kansas'** internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Adams, Brown, Beran & Ball Chtd*

**ADAMS, BROWN, BERAN & BALL, CHTD.**

Certified Public Accountants

May 21, 2013

**CITY OF COLBY, KANSAS**

Regulatory-Required Supplementary Information

**CITY OF COLBY, KANSAS**  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>Governmental Fund Categories</b>					
<b>General Fund</b>	\$ 2,873,156	-	2,873,156	2,630,206	(242,950)
<b>Special Purpose Funds</b>					
Library Fund	240,824	-	240,824	240,824	-
Recreation Fund	143,130	-	143,130	143,130	-
Noxious Weed Fund	12,000	-	12,000	5,073	(6,927)
Special Fire and Police Fund	101,500	-	101,500	12,615	(88,885)
Special Street Fund	1,647,436	-	1,647,436	189,925	(1,457,511)
Special Liability Fund	23,000	-	23,000	16,795	(6,205)
Special Parks and Recreation Fund	33,771	-	33,771	27,658	(6,113)
Employee Benefits Fund	1,092,179	-	1,092,179	959,040	(133,139)
Municipal Equipment Reserve Fund	153,000	-	153,000	84,855	(68,145)
Capital Improvement Reserve Fund	441,500	-	441,500	341,377	(100,123)
Convention/Tourism Fund	215,465	-	215,465	215,465	-
Economic Development Fund	2,279,108	-	2,279,108	65,820	(2,213,288)
Water Treatment	951,127	-	951,127	598,744	(352,383)
<b>Bond and Interest Fund</b>					
Bond and Interest Fund	1,311,623	-	1,311,623	1,256,623	(55,000)
<b>Business Funds</b>					
Electric Utility Fund	7,318,105	-	7,318,105	5,540,721	(1,777,384)
Water Utility Fund	1,172,153	-	1,172,153	998,856	(173,297)
Sewage Disposal Utility Fund	1,250,770	-	1,250,770	1,145,100	(105,670)
Solid Waste Disposal Utility Fund	690,672	-	690,672	646,997	(43,675)
<b>Trust Fund</b>					
Special Law Enforcement Trust Fund	93,028	-	93,028	79,389	(13,639)

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
<b>Taxes and Shared Revenues</b>				
Ad Valorem Property Tax	\$ 468,718	358,851	380,560	(21,709)
Delinquent Tax	26,252	2,532	-	2,532
Motor Vehicle Tax	26,098	69,151	72,019	(2,868)
16/20 Tax	2,431	1,234	2,997	(1,763)
Recreational Vehicle Tax	358	846	906	(60)
Local Sales Tax	901,100	1,006,828	800,000	206,828
<b>Total Taxes and Shared Revenues</b>	<b>1,424,957</b>	<b>1,439,442</b>	<b>1,256,482</b>	<b>182,960</b>
<b>Intergovernmental Revenues</b>				
Federal Aid - EPA	-	1,280	-	1,280
In Lieu of Tax	28,530	31,002	28,000	3,002
Highway Connecting Links	57,617	57,657	57,000	657
Special Liquor Tax	24,171	26,479	24,250	2,229
Swimming Pool Concession	38,493	30,406	-	30,406
<b>Total Intergovernmental Revenues</b>	<b>148,811</b>	<b>146,824</b>	<b>109,250</b>	<b>37,574</b>
<b>Licenses and Permits</b>				
Utility Franchise Taxes	86,916	75,928	68,000	7,928
Liquor Store License	1,900	1,500	900	600
Dog Tax and Fees	1,201	1,291	1,200	91
Building Permits	15,314	18,025	5,000	13,025
Other	5,570	6,056	4,000	2,056
<b>Total Licenses and Permits</b>	<b>110,901</b>	<b>102,800</b>	<b>79,100</b>	<b>23,700</b>
<b>Charges for Services</b>				
Communication Contract Co.	122,486	130,819	127,669	3,150
Rural Fire District #3	56,920	59,836	63,700	(3,864)
Swimming Pool	130,668	122,974	219,199	(96,225)
Services for Others	978	890	-	890
<b>Total Charges for Services</b>	<b>311,052</b>	<b>314,519</b>	<b>410,568</b>	<b>(96,049)</b>
<b>Fines, Forfeitures and Penalties</b>				
Court Fines/Fees	69,705	64,008	60,000	4,008
Dog Fines	1,876	1,349	1,500	(151)
<b>Total Fines, Forfeitures and Penalties</b>	<b>71,581</b>	<b>65,357</b>	<b>61,500</b>	<b>3,857</b>
<b>Use of Money and Property</b>				
Community Building/Auditorium Rental	15,350	19,822	15,000	4,822
Sale of Material	662	95	100	(5)
Equipment Rental	-	625	-	625
Lease Rentals	7,256	49,947	8,000	41,947
Interest	6,499	5,953	3,300	2,653
Airport Fuel Sales	2,733	2,583	875	1,708
<b>Total Use of Money and Property</b>	<b>32,500</b>	<b>79,025</b>	<b>27,275</b>	<b>51,750</b>

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts (continued)</b>				
<b>Other</b>				
Miscellaneous	\$ -	-	6,000	(6,000)
<b>Transfers In</b>				
Electric Utility Fund	330,031	337,660	332,660	5,000
Water Utility Fund	34,472	62,738	62,738	-
Sewage Disposal Utility Fund	38,942	37,879	37,879	-
Solid Waste Disposal Utility Fund	34,707	33,999	33,999	-
Pool Operational Sales Tax	57,419	8,073	-	8,073
<b>Total Transfers In</b>	<b>495,571</b>	<b>480,349</b>	<b>467,276</b>	<b>13,073</b>
<b>Total Cash Receipts</b>	<b>2,595,373</b>	<b>2,628,316</b>	<b>2,417,451</b>	<b>210,865</b>
<b>Expenditures</b>				
<b>General Government</b>				
Personal Services	183,237	188,634	196,640	(8,006)
Commodities	19,280	25,623	32,950	(7,327)
Contractual Services	58,148	69,554	74,889	(5,335)
Capital Outlay	1,735	3,921	5,340	(1,419)
Transfers Out				
Municipal Equipment Reserve Fund	3,000	3,000	3,000	-
<b>Total General Government</b>	<b>265,400</b>	<b>290,732</b>	<b>312,819</b>	<b>(22,087)</b>
<b>Police</b>				
Personal Services	683,943	667,883	702,130	(34,247)
Commodities	55,925	59,754	58,350	1,404
Contractual Services	59,471	46,272	57,100	(10,828)
Capital Outlay	16,374	9,865	27,000	(17,135)
Transfers Out				
Municipal Equipment Reserve Fund	10,000	10,000	10,000	-
<b>Total Police</b>	<b>825,713</b>	<b>793,774</b>	<b>854,580</b>	<b>(60,806)</b>
<b>Fire</b>				
Personal Services	274,131	280,104	288,129	(8,025)
Commodities	12,192	12,551	14,000	(1,449)
Contractual Services	34,490	52,845	52,500	345
Capital Outlay	5,744	1,284	7,700	(8,416)
Transfers Out				
Municipal Equipment Reserve Fund	25,666	25,666	25,666	-
<b>Total Fire</b>	<b>352,223</b>	<b>372,450</b>	<b>387,995</b>	<b>(15,545)</b>
<b>Street</b>				
Personal Services	253,811	247,439	244,551	2,888
Commodities	67,411	55,917	84,990	(29,073)
Contractual Services	40,492	43,175	56,000	(12,825)
Capital Outlay	103,875	165,594	183,500	(17,906)
Transfers Out				
Capital Improvement Reserve Fund	-	15,000	15,000	-
Municipal Equipment Reserve Fund	92,152	82,000	82,000	-
<b>Total Street</b>	<b>557,741</b>	<b>609,125</b>	<b>666,041</b>	<b>(58,916)</b>

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Expenditures (continued)</b>				
<b>Auditorium</b>				
Personal Services	\$ 64,417	66,993	78,891	(11,898)
Commodities	12,636	15,218	14,800	418
Contractual Services	34,271	22,269	40,400	(18,131)
Capital Outlay	20,515	26,442	19,000	7,442
Transfers Out				
Capital Improvement Reserve Fund	40,618	28,044	28,044	-
<b>Total Auditorium</b>	<u>172,457</u>	<u>158,966</u>	<u>181,135</u>	<u>(22,169)</u>
<b>Parks</b>				
Personal Services	80,088	83,203	87,983	(4,780)
Commodities	7,098	11,113	11,800	(687)
Contractual Services	12,126	17,514	23,600	(6,086)
Capital Outlay	1,000	1,000	1,000	-
Transfers Out				
Capital Improvement Reserve Fund	13,500	13,500	13,500	-
Municipal Equipment Reserve Fund	19,000	19,000	19,000	-
<b>Total Parks</b>	<u>132,812</u>	<u>145,330</u>	<u>156,883</u>	<u>(11,553)</u>
<b>Swimming Pool</b>				
Personal Services	132,466	97,865	150,649	(52,784)
Commodities	51,042	38,198	34,550	3,648
Contractual Services	43,584	24,016	33,500	(9,484)
Capital Outlay	-	1,374	-	1,374
<b>Total Swimming Pool</b>	<u>227,092</u>	<u>161,453</u>	<u>218,699</u>	<u>(57,246)</u>
<b>Airport</b>				
Personal Services	34,398	35,154	37,800	(2,646)
Commodities	1,590	1,264	3,200	(1,936)
Contractual Services	38,349	40,169	33,850	6,319
Capital Outlay	-	2,135	500	1,635
Transfers Out				
Capital Improvement Reserve Fund	14,846	19,654	19,654	-
<b>Total Airport</b>	<u>89,183</u>	<u>98,376</u>	<u>95,004</u>	<u>3,372</u>
<b>Total Expenditures</b>	<u>2,622,621</u>	<u>2,630,206</u>	<u>2,873,156</u>	<u>(242,950)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(27,248)	(1,890)		<u>(453,815)</u>
<b>Unencumbered Cash - Beginning</b>	751,845	852,965		
<b>Prior Year Cancelled Encumbrances</b>	<u>128,368</u>	<u>19,680</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 852,965</u>	<u>870,755</u>		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 194,954	195,164	206,969	(11,805)
Delinquent Tax	13,816	1,089	-	1,089
Motor Vehicle Tax	21,957	32,718	29,956	2,762
16/20 Tax	1,188	1,082	1,246	(164)
Recreational Vehicle Tax	290	399	378	21
<b>Total Cash Receipts</b>	232,205	230,452	238,549	(8,097)
<b>Expenditures</b>				
Appropriations	232,610	240,824	240,824	-
<b>Cash Receipts Over (Under) Expenditures</b>	(405)	(10,372)		8,097
<b>Unencumbered Cash - Beginning</b>	11,904	11,499		
<b>Unencumbered Cash - Ending</b>	\$ 11,499	1,127		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 116,973	117,074	124,181	(7,107)
Delinquent Tax	8,293	653	-	653
Motor Vehicle Tax	13,176	19,631	17,974	1,657
16/20 Tax	713	649	748	(99)
Recreational Vehicle Tax	174	239	227	12
<b>Total Cash Receipts</b>	139,329	138,246	143,130	(4,884)
<b>Expenditures</b>				
Appropriations	139,550	143,130	143,130	-
<b>Cash Receipts Over (Under) Expenditures</b>	(221)	(4,884)		4,884
<b>Unencumbered Cash - Beginning</b>	7,138	6,917		
<b>Unencumbered Cash - Ending</b>	\$ 6,917	2,033		

**CITY OF COLBY, KANSAS**  
**Noxious Weed Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 5,519	2,810	2,963	(153)
Delinquent Tax	320	31	-	31
Motor Vehicle Tax	651	936	848	88
16/20 Tax	37	32	35	(3)
Recreational Vehicle Tax	9	11	11	-
Interest	33	32	-	32
<b>Total Cash Receipts</b>	<u>6,569</u>	<u>3,852</u>	<u>3,857</u>	<u>(5)</u>
<b>Expenditures</b>				
Salaries	-	1,575	3,000	(1,425)
Chemicals	-	3,498	3,500	(2)
Training Expense	93	-	-	-
Equipment Maintenance	-	-	500	(500)
Operational Equipment	-	-	5,000	(5,000)
<b>Total Expenditures</b>	<u>93</u>	<u>5,073</u>	<u>12,000</u>	<u>(6,927)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	<u>6,476</u>	<u>(1,221)</u>		<u>(6,922)</u>
<b>Unencumbered Cash - Beginning</b>	<u>10,556</u>	<u>17,032</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 17,032</u>	<u>15,811</u>		

**CITY OF COLBY, KANSAS**  
**Special Fire and Police Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 30,239	28,787	30,524	(1,737)
Delinquent Tax	2,492	169	-	169
Motor Vehicle Tax	3,720	5,199	4,647	552
16/20 Tax	155	186	193	(7)
Recreational Vehicle Tax	48	63	59	4
Donations	500	-	14,250	(14,250)
Federal Aid	32,531	6,972	-	6,972
Interest	98	129	100	29
<b>Total Cash Receipts</b>	<u>69,783</u>	<u>41,505</u>	<u>49,773</u>	<u>(8,268)</u>
<b>Expenditures</b>				
Police Equipment	7,710	275	71,000	(70,725)
Fire Equipment	-	-	10,500	(10,500)
Grants/Donations Purchases	34,761	7,340	15,000	(7,660)
Transfers Out				
Municipal Equipment Reserve Fund	-	5,000	5,000	-
<b>Total Expenditures</b>	<u>42,471</u>	<u>12,615</u>	<u>101,500</u>	<u>(88,885)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	27,312	28,890		<u>(80,617)</u>
<b>Unencumbered Cash - Beginning</b>	<u>28,625</u>	<u>55,937</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>55,937</u>	<u>84,827</u>		

**CITY OF COLBY, KANSAS**  
**Special Street Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
State Payments	\$ 133,378	<b>140,228</b>	1,330,700	(1,190,472)
Special Assessments	3,383	<b>3,383</b>	3,383	-
Interest	1,540	<b>2,386</b>	1,800	586
<b>Total Cash Receipts</b>	<u>138,301</u>	<u><b>145,997</b></u>	<u>1,335,883</u>	<u>(1,189,886)</u>
<b>Expenditures</b>				
Personal Services	-	-	50,000	(50,000)
Special Services	-	-	45,000	(45,000)
Reconstruction	73,600	<b>134,425</b>	1,549,936	(1,415,511)
Equipment Expense	10,000	<b>55,500</b>	2,500	53,000
<b>Total Expenditures</b>	<u>83,600</u>	<u><b>189,925</b></u>	<u>1,647,436</u>	<u>(1,457,511)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	54,701	<b>(43,928)</b>		<u>(267,625)</u>
<b>Unencumbered Cash - Beginning</b>	<u>432,275</u>	<u><b>486,976</b></u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 486,976</u>	<u><b>443,048</b></u>		

**CITY OF COLBY, KANSAS**  
**Special Liability Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 17,465	14,935	15,834	(899)
Delinquent Tax	1,064	96	-	96
Motor Vehicle Tax	1,480	2,760	2,686	74
16/20 Tax	91	72	112	(40)
Recreational Vehicle Tax	20	34	34	-
Interest	17	19	-	19
<b>Total Cash Receipts</b>	<u>20,137</u>	<u>17,916</u>	<u>18,666</u>	<u>(750)</u>
<b>Expenditures</b>				
Premiums	15,004	16,795	21,000	(4,205)
Claims	-	-	2,000	(2,000)
<b>Total Expenditures</b>	<u>15,004</u>	<u>16,795</u>	<u>23,000</u>	<u>(6,205)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	5,133	1,121		<u>(5,455)</u>
<b>Unencumbered Cash - Beginning</b>	<u>6,416</u>	<u>11,549</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 11,549</u>	<u>12,670</u>		

CITY OF COLBY, KANSAS  
**Special Parks and Recreation Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Intergovernmental Revenue				
Special Liquor Tax	\$ 24,171	26,479	24,250	2,229
Department of Wildlife & Parks	-	2,430	-	2,430
Interest	76	84	50	34
<b>Total Cash Receipts</b>	<u>24,247</u>	<u>28,993</u>	<u>24,300</u>	<u>4,693</u>
<b>Expenditures</b>				
Gas/Oil	-	-	800	(800)
Material and Supplies	1,597	7,632	4,471	3,161
Equipment Maintenance	-	26	3,500	(3,474)
Colby Tree Board	5,000	5,000	5,000	-
New Building/Land/Add.	4,992	-	5,000	(5,000)
Transfers Out				
Capital Improvement Reserve Fund	7,500	15,000	15,000	-
<b>Total Expenditures</b>	<u>19,089</u>	<u>27,658</u>	<u>33,771</u>	<u>(6,113)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	5,158	1,335		<u>(10,806)</u>
<b>Unencumbered Cash - Beginning</b>	15,091	23,549		
<b>Prior Year Cancelled Encumbrances</b>	3,300	-		
<b>Unencumbered Cash - Ending</b>	<u>\$ 23,549</u>	<u>24,884</u>		

**CITY OF COLBY, KANSAS**  
**Employee Benefits Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 314,134	349,497	370,661	(21,164)
Delinquent Tax	15,645	1,733	-	1,733
Motor Vehicle Tax	34,392	52,466	48,270	4,196
16/20 Tax	1,622	1,707	2,009	(302)
Recreational Vehicle Tax	451	639	609	30
Insurance Premiums	816	5	-	5
Miscellaneous	16,322	15,491	-	15,491
Interest	1,684	1,444	1,475	(31)
Transfers In	465,283	459,341	470,151	(10,810)
<b>Total Cash Receipts</b>	<b>850,349</b>	<b>882,323</b>	<b>893,175</b>	<b>(10,852)</b>
<b>Expenditures</b>				
Social Security	178,582	176,960	255,006	(78,046)
Medicare Insurance	41,765	41,386	-	41,386
KPERS Retirement Benefit	215,302	232,713	237,764	(5,051)
Workmen's Compensation	73,844	65,064	91,245	(26,181)
Unemployment Insurance	2,769	1,861	3,333	(1,472)
Medical Insurance	406,770	441,056	504,831	(63,775)
<b>Total Expenditures</b>	<b>919,032</b>	<b>959,040</b>	<b>1,092,179</b>	<b>(133,139)</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>(68,683)</b>	<b>(76,717)</b>		<b>(122,287)</b>
<b>Unencumbered Cash - Beginning</b>	<b>315,335</b>	<b>246,652</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 246,652</b>	<b>169,935</b>		

**CITY OF COLBY, KANSAS**  
**Risk Management Reserve Fund**  
 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)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Interest	\$ 1,577	1,443
<b>Expenditures</b>		
Claims	1,000	1,383
<b>Cash Receipts Over (Under) Expenditures</b>	577	60
<b>Unencumbered Cash - Beginning</b>	372,946	373,523
<b>Unencumbered Cash - Ending</b>	\$ 373,523	373,583

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Interest	\$ 2,552	2,701	2,700	1
Transfers In				
General Fund	149,818	139,666	146,666	(7,000)
Special Fire and Police fund	-	5,000	5,000	-
Solid Waste Disposal Utility Fund	90,307	66,390	66,390	-
Water Utility Fund	31,500	-	30,000	(30,000)
Sewage Disposal Utility Fund	11,990	36,000	35,000	1,000
Electric Utility Fund	44,500	26,060	40,000	(13,940)
<b>Total Cash Receipts</b>	<b>330,667</b>	<b>275,817</b>	<b>325,756</b>	<b>(49,939)</b>
<b>Expenditures</b>				
Equipment				
Special Street	32,501	-	42,000	(42,000)
Police	8,956	15,185	20,000	(4,815)
Sewer	19,990	-	-	-
Parks	-	32,464	54,000	(21,536)
Community Building	-	29,114	27,000	2,114
Administration	3,606	8,092	10,000	(1,908)
Transfers Out				
Water Utility Fund	-	8,500	-	8,500
<b>Total Expenditures</b>	<b>65,053</b>	<b>93,355</b>	<b>153,000</b>	<b>(59,645)</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>265,614</b>	<b>182,462</b>		<b>(9,706)</b>
<b>Unencumbered Cash - Beginning</b>	<b>978,707</b>	<b>1,244,321</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 1,244,321</b>	<b>1,426,783</b>		

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

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
<b>Cash Receipts</b>				
Transfers In				
General Fund	\$ 68,964	76,198	76,198	-
Water Utility Fund	50,000	50,000	50,000	-
Sewage Disposal Utility Fund	50,000	50,000	50,000	-
Electric Utility Fund	300,000	59,411	200,000	(140,589)
Special Parks and Recreation Fund	7,500	15,000	15,000	-
Special Law Enforcement Trust Fund	9,051	-	-	-
State Aid - Department of Transportation	-	36,534	-	36,534
Interest	12,719	14,173	10,700	3,473
<b>Total Cash Receipts</b>	<b>498,234</b>	<b>301,316</b>	<b>401,898</b>	<b>(100,582)</b>
<b>Expenditures</b>				
Pool	-	6,000	-	6,000
Airport	114,528	32,281	54,000	(21,719)
Electric Utility Fund	-	259,411	300,000	(40,589)
Parks	-	-	15,000	(15,000)
Special Parks and Recreation	75,000	43,685	67,500	(23,815)
Community Building	75,823	-	5,000	(5,000)
<b>Total Expenditures</b>	<b>265,351</b>	<b>341,377</b>	<b>441,500</b>	<b>(100,123)</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>232,883</b>	<b>(40,061)</b>		<b>459</b>
<b>Unencumbered Cash - Beginning</b>	<b>2,542,291</b>	<b>2,775,174</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 2,775,174</b>	<b>2,735,113</b>		

**CITY OF COLBY, KANSAS**  
**Convention/Tourism Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Transient Guest Tax	\$ 197,926	<b>220,598</b>	<u>185,000</u>	35,598
<b>Expenditures</b>				
Contractual Services	206,953	<b>215,465</b>	<u>215,465</u>	-
<b>Cash Receipts Over (Under) Expenditures</b>	(9,027)	<b>5,133</b>		<u>(35,598)</u>
<b>Unencumbered Cash - Beginning</b>	54,747	<b>45,720</b>		
<b>Unencumbered Cash - Ending</b>	\$ <u>45,720</u>	<u><b>50,853</b></u>		

**CITY OF COLBY, KANSAS**  
**Economic Development Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 50,148	47,376	50,241	(2,865)
Delinquent Tax	3,743	283	-	283
Motor Vehicle Tax	5,964	8,513	7,706	807
16/20 Tax	356	292	321	(29)
Recreational Vehicle Tax	79	104	97	7
City Sales Tax	384,364	117,731	350,000	(232,269)
Payment from FAA	162,129	344,115	-	344,115
Interest	3,191	3,011	3,300	(289)
<b>Total Cash Receipts</b>	<b>609,974</b>	<b>521,425</b>	<b>411,665</b>	<b>109,760</b>
<b>Expenditures</b>				
Special Projects	519,450	11,495	2,214,483	(2,202,988)
Development	54,325	54,325	54,325	-
Travel/Promo/Recruitment	-	-	5,000	(5,000)
Advertising	-	-	5,300	(5,300)
<b>Total Expenditures</b>	<b>573,775</b>	<b>65,820</b>	<b>2,279,108</b>	<b>(2,213,288)</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>36,199</b>	<b>455,605</b>		<b>(2,323,048)</b>
<b>Unencumbered Cash - Beginning</b>	<b>1,521,469</b>	<b>1,557,668</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 1,557,668</b>	<b>2,013,273</b>		

**CITY OF COLBY, KANSAS**  
**Water Treatment Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
<b>Cash Receipts</b>				
Environmental Protection Agency - Federal Grant	\$ 687,904	<b>404,943</b>	<u>951,127</u>	(546,184)
<b>Expenditures</b>				
Salaries	53,106	<b>54,166</b>	65,292	(11,126)
Office Supplies	656	<b>904</b>	2,800	(1,896)
Electricity for Wells/Operation	40,609	<b>60,129</b>	92,272	(32,143)
Operating Supplies and Expense	42	<b>35,424</b>	8,500	26,924
Communications	1,384	<b>1,299</b>	-	1,299
Utilities	4,813	<b>3,355</b>	-	3,355
Employee Benefits	16,135	<b>15,929</b>	21,987	(6,058)
Training Expense	1,443	<b>1,900</b>	5,580	(3,680)
Annual Audit	9,385	<b>6,511</b>	5,600	911
Special Services	536,923	<b>404,914</b>	689,096	(284,182)
Equipment Maintenance	19,294	<b>14,213</b>	-	14,213
System Repair and Maintenance	-	-	60,000	(60,000)
Operational Equipment	90	-	-	-
<b>Total Expenditures</b>	<u>683,880</u>	<u><b>598,744</b></u>	<u>951,127</u>	<u>(352,383)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	4,024	<b>(193,801)</b>		<u>193,801</u>
<b>Unencumbered Cash - Beginning</b>	(419,989)	<b>(40,273)</b>		
<b>Prior Year Cancelled Encumbrances</b>	<u>375,692</u>	<u>-</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>(40,273)</u>	<u><b>(234,074)</b></u>		

**CITY OF COLBY, KANSAS**  
**E911 Fund**  
 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)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Payment From State	\$ 2,440	186,442
Miscellaneous and Reimbursements	13,430	-
Interest Income	-	208
<b>Total Cash Receipts</b>	<u>15,870</u>	<u>186,650</u>
<b>Expenditures</b>		
Personnel Services	248	6,589
Commodities	-	49
Contractual Services	-	18,570
Capital Outlay	10,516	27,419
<b>Total Expenditures</b>	<u>10,764</u>	<u>52,627</u>
<b>Cash Receipts Over (Under) Expenditures</b>	5,106	134,023
<b>Unencumbered Cash - Beginning</b>	<u>-</u>	<u>5,106</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 5,106</u>	<u>139,129</u>

**CITY OF COLBY, KANSAS**  
**Bond and Interest Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 125,804	181,514	192,491	(10,977)
Delinquent Tax	23,249	838	-	838
Motor Vehicle Tax	49,863	33,909	19,333	14,576
16/20 Tax	1,123	2,539	804	1,735
Recreational Vehicle Tax	637	407	244	163
Special Assessments	23,953	23,953	23,953	-
Accrued Interest on Bond Proceeds	920	-	-	-
Reimbursed Expense	20,712	20,705	20,705	-
Transfers In				
Tax Incentive Financing Revenue Fund	80,000	99,815	99,815	-
Financed Projects Fund	843,515	822,042	822,042	-
<b>Total Cash Receipts</b>	<u>1,169,776</u>	<u>1,185,722</u>	<u>1,179,387</u>	<u>6,335</u>
<b>Expenditures</b>				
Bond Principal	1,026,000	1,036,000	1,036,000	-
Cash Requirements	-	-	50,000	(50,000)
Interest	234,857	220,623	220,623	-
Bond Issuance Costs	-	-	5,000	(5,000)
<b>Total Expenditures</b>	<u>1,260,857</u>	<u>1,256,623</u>	<u>1,311,623</u>	<u>(55,000)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(91,081)	(70,901)		<u>(61,335)</u>
<b>Unencumbered Cash - Beginning</b>	<u>246,879</u>	<u>155,798</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>155,798</u>	<u>84,897</u>		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget**	
<b>Cash Receipts</b>				
Intergovernmental Revenue				
Sales Tax	\$ 1,178,073	1,316,764	1,025,000	291,764
Federal Aid - TCC	-	100,000	-	100,000
Transfers In				
Tax Incremental Financing Revenue Fund	40,490	-	-	-
General Obligation Bond Proceeds	1,130,000	-	-	-
Lease Purchase	-	1,784,636	-	1,784,636
Miscellaneous Income	1,872	1,868	-	1,868
<b>Total Cash Receipts</b>	<b>2,350,435</b>	<b>3,203,268</b>	<b>1,025,000</b>	<b>2,178,268</b>
<b>Expenditures</b>				
Sewell Project	26,853	-	-	-
Aquatic Center Project	2,130,346	154,337	245,000	(90,663)
East Willow Paving Project	1,169,490	-	-	-
TCC	-	100,000	-	100,000
Meter Upgrades	-	1,784,636	-	1,784,636
Transfers Out				
General Fund	57,419	8,073	-	8,073
Bond and Interest Fund	843,515	822,042	822,042	-
<b>Total Expenditures</b>	<b>4,227,623</b>	<b>2,869,088</b>	<b>1,067,042</b>	<b>1,802,046</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>(1,877,188)</b>	<b>334,180</b>		<b>(376,222)</b>
<b>Unencumbered Cash - Beginning</b>	<b>2,380,789</b>	<b>503,601</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 503,601</b>	<b>837,781</b>		

\*\* Budget is for management use only.

**CITY OF COLBY, KANSAS**  
**Tax Incentive Financing Revenue Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget**	
<b>Cash Receipts</b>				
Intergovernmental Revenues				
Ad Valorem Tax	\$ 74,017	173,943	144,895	29,048
Local Sales Tax	57,916	64,931	50,400	14,531
Guest Tax	19,003	29,371	14,000	15,371
Interest Income	-	460	-	460
<b>Total Cash Receipts</b>	<u>150,936</u>	<u>268,705</u>	<u>209,295</u>	<u>59,410</u>
<b>Expenditures</b>				
Transfers Out				
Bond and Interest Fund	80,000	99,815	99,815	-
Financed Projects	40,490	-	-	-
<b>Total Expenditures</b>	<u>120,490</u>	<u>99,815</u>	<u>99,815</u>	<u>-</u>
<b>Cash Receipts Over (Under) Expenditures</b>	30,446	168,890		<u>(59,410)</u>
<b>Unencumbered Cash - Beginning</b>	104,364	134,810		
<b>Prior Year Cancelled Encumbrances</b>	-	5,942		
<b>Unencumbered Cash - Ending</b>	\$ <u>134,810</u>	<u>309,642</u>		

\*\* Budget is for management use only.

**CITY OF COLBY, KANSAS**  
**Electric Utility Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Sale of Electricity				
Residential	\$ 1,940,638	1,921,263	2,421,159	(499,896)
Commercial	922,690	941,988	902,401	39,587
Industrial	2,781,829	2,718,483	3,521,876	(803,393)
Penalties	39,851	33,923	32,000	1,923
Connection Fees	2,825	8,125	2,000	6,125
Reconnect Fees	8,557	6,674	8,500	(1,826)
Equipment/Pole Rental	6,971	7,005	2,500	4,505
Service Agreement	125	-	-	-
Interest	17,662	16,479	16,500	(21)
Miscellaneous	1,055	1,737	-	1,737
Capital Credits	51,847	52,291	35,000	17,291
<b>Total Cash Receipts</b>	<b>5,774,050</b>	<b>5,707,968</b>	<b>6,941,936</b>	<b>(1,233,968)</b>
<b>Expenditures</b>				
<b>Electric Production</b>				
Personal Services	187,589	170,455	167,068	3,387
Contractual Services	64,726	28,911	178,500	(149,589)
Commodities	3,377,672	3,405,146	4,950,230	(1,545,084)
Capital Outlay	20,094	48,855	65,000	(16,145)
Transfers Out				
Capital Improvement Reserve Fund	300,000	59,411	100,000	(40,589)
<b>Total Electric Production</b>	<b>3,950,081</b>	<b>3,712,778</b>	<b>5,460,798</b>	<b>(1,748,020)</b>
<b>Electric Transmission and Distribution</b>				
Personal Services	268,269	255,827	240,710	15,117
Contractual Services	121,667	81,924	100,500	(18,576)
Commodities	74,190	66,575	75,000	(8,425)
Capital Outlay	133,231	319,437	212,000	107,437
Transfers Out				
Capital Improvement Reserve Fund	-	-	100,000	(100,000)
Municipal Equipment Reserve Fund	40,000	21,560	40,000	(18,440)
<b>Total Electric Transmission and Distribution</b>	<b>637,357</b>	<b>745,323</b>	<b>768,210</b>	<b>(22,887)</b>
<b>Electric Commercial and General</b>				
Personal Services	218,957	237,829	261,694	(23,865)
Contractual Services	150,817	162,269	416,933	(254,664)
Commodities	23,135	22,151	27,000	(4,849)
Capital Outlay	2,603	5,988	8,010	(2,022)
Transfers Out				
Municipal Equipment Reserve Fund	4,500	4,500	4,500	-
<b>Total Electric Commercial and General</b>	<b>400,012</b>	<b>432,737</b>	<b>718,137</b>	<b>(285,400)</b>

**CITY OF COLBY, KANSAS**  
**Electric Utility Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Non-Operating Expenses</b>				
Commodities	23,868	63,771	33,300	30,471
Transfers Out				
Employee Benefit Fund	269,117	248,452	-	248,452
General Fund	330,031	337,660	337,660	-
<b>Total Non-Operating Expenses</b>	<u>623,016</u>	<u>649,883</u>	<u>370,960</u>	<u>278,923</u>
<b>Total Expenditures</b>	<u>5,610,466</u>	<u>5,540,721</u>	<u>7,318,105</u>	<u>(1,777,384)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	163,584	167,247		<u>(543,416)</u>
<b>Unencumbered Cash - Beginning</b>	1,217,337	1,402,269		
<b>Prior Year Cancelled Encumbrances</b>	<u>21,348</u>	<u>1,265</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 1,402,269</u>	<u>1,570,781</u>		

**CITY OF COLBY, KANSAS**  
**Water Utility Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended December 31, 2012  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Sale of Water	\$ 1,048,781	1,164,552	1,020,000	144,552
Penalties	7,653	7,579	6,500	1,079
Environmental Protection Agency	1,605	1,525	-	1,525
Connection Fees	4,161	10,057	2,500	7,557
Sales of Material and Use of Equipment	41	155	125	30
Interest	4,701	4,824	5,200	(376)
Miscellaneous	-	111	1,500	(1,389)
Transfers In				
Municipal Equipment Reserve Fund	-	8,500	-	8,500
<b>Total Cash Receipts</b>	<b>1,066,942</b>	<b>1,197,303</b>	<b>1,035,825</b>	<b>161,478</b>
<b>Expenditures</b>				
<b>Water Production</b>				
Personal Services	35,714	34,446	80,553	(46,107)
Commodities	7,031	5,919	12,000	(6,081)
Contractual Services	39,407	53,547	77,800	(24,253)
Capital Outlay	31,096	107,986	174,500	(66,514)
Transfers Out				
Capital Improvement Reserve Fund	50,000	50,000	50,000	-
<b>Total Water Production</b>	<b>163,248</b>	<b>251,898</b>	<b>394,853</b>	<b>(142,955)</b>
<b>Water Transmission and Distribution</b>				
Personal Services	114,774	121,506	108,966	12,540
Contractual Services	31,540	26,476	40,000	(13,524)
Commodities	32,533	22,507	31,000	(8,493)
Capital Outlay	171,079	68,775	93,500	(24,725)
Transfers Out				
Municipal Equipment Reserve Fund	30,000	-	30,000	(30,000)
<b>Total Water Trans. and Distribution</b>	<b>379,926</b>	<b>239,264</b>	<b>303,466</b>	<b>(64,202)</b>
<b>Water Commercial and General</b>				
Personal Services	75,993	81,892	92,965	(11,073)
Contractual Services	25,188	26,895	100,116	(73,221)
Commodities	9,697	9,657	11,345	(1,688)
Capital Outlay	867	1,960	2,670	(710)
Transfers Out				
Municipal Equipment Reserve Fund	1,500	-	1,500	(1,500)
<b>Total Water Commercial and General</b>	<b>113,245</b>	<b>120,404</b>	<b>208,596</b>	<b>(88,192)</b>

**CITY OF COLBY, KANSAS**  
**Water Utility Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Non-Operating Expenses</b>				
Commodities	720	60,788	2,500	58,288
Transfers Out				
Water Reserve	100,000	200,000	200,000	-
Employee Benefit Fund	65,058	72,264	-	72,264
General Fund	34,472	62,738	62,738	-
<b>Total Non-Operating Expenses</b>	<u>200,250</u>	<u>395,790</u>	<u>265,238</u>	<u>130,552</u>
<b>Total Expenditures</b>	<u>856,669</u>	<u>1,007,356</u>	<u>1,172,153</u>	<u>(164,797)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	210,273	189,947		<u>(326,275)</u>
<b>Unencumbered Cash - Beginning</b>	732,374	942,698		
<b>Prior Year Cancelled Encumbrances</b>	<u>51</u>	<u>745</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 942,698</u>	<u>1,133,390</u>		

**CITY OF COLBY, KANSAS**  
**Sewage Disposal Utility Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Sewer Service	\$ 1,071,563	1,084,908	1,065,600	19,308
Special Assessments	6,535	6,535	19,582	(13,047)
Penalties	8,643	8,339	8,000	339
Connection Fees	720	1,897	4,000	(2,103)
Farm Income Contract	13,607	18,130	13,607	4,523
Interest	2,121	678	1,400	(722)
Miscellaneous	-	143	-	143
<b>Total Cash Receipts</b>	<u>1,103,189</u>	<u>1,120,630</u>	<u>1,112,189</u>	<u>8,441</u>
<b>Expenditures</b>				
<b>Production</b>				
Personal Services	66,871	64,854	70,577	(5,723)
Commodities	6,673	4,164	29,500	(25,336)
Contractual Services	115,961	151,107	166,300	(15,193)
Capital Outlay	108,506	13,000	20,500	(7,500)
Transfers Out				
Municipal Equipment Reserve Fund	5,990	6,000	6,000	-
<b>Total Production Expense</b>	<u>304,001</u>	<u>239,125</u>	<u>292,877</u>	<u>(53,752)</u>
<b>Transmission and Distribution Expense</b>				
Personal Services	26,780	29,826	38,777	(8,951)
Contractual Services	9,166	11,293	23,000	(11,707)
Commodities	16,329	13,334	16,450	(3,116)
Capital Outlay	48,696	53,204	70,500	(17,296)
Transfers Out				
Capital Improvement Reserve Fund	50,000	50,000	50,000	-
Municipal Equipment Reserve Fund	5,000	29,000	29,000	-
<b>Total Transmission and Distrib. Expense</b>	<u>155,971</u>	<u>186,657</u>	<u>227,727</u>	<u>(41,070)</u>
<b>Commercial and General Expense</b>				
Personal Services	48,357	52,277	57,376	(5,099)
Contractual Services	21,828	23,457	70,611	(47,154)
Commodities	2,512	2,330	3,334	(1,004)
Capital Outlay	578	1,307	1,780	(473)
Transfers Out				
Municipal Equipment Reserve Fund	1,000	1,000	1,000	-
<b>Total Commercial and General Expense</b>	<u>74,275</u>	<u>80,371</u>	<u>134,101</u>	<u>(53,730)</u>

**CITY OF COLBY, KANSAS**  
**Sewage Disposal Utility Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Non-Operating Expenses</b>				
Commodities	-	-	150	(150)
Interest Coupons	182,998	173,942	173,942	-
Principal	356,884	366,838	366,838	-
Commission/Postage	18,155	17,256	17,256	-
Transfers Out				
Employee Benefit Fund	47,805	43,032	-	43,032
General Fund	38,942	37,879	37,879	-
<b>Total Non-Operating Expenses</b>	<u>644,784</u>	<u>638,947</u>	<u>596,065</u>	<u>42,882</u>
<b>Total Expenditures</b>	<u>1,179,031</u>	<u>1,145,100</u>	<u>1,250,770</u>	<u>(105,670)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(75,842)	(24,470)		<u>(114,111)</u>
<b>Unencumbered Cash - Beginning</b>	435,428	359,586		
<b>Prior Year Cancelled Encumbrances</b>	-	200		
<b>Unencumbered Cash - Ending</b>	<u>\$ 359,586</u>	<u>335,316</u>		

**CITY OF COLBY, KANSAS**  
**Solid Waste Disposal Utility Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Refuse Collection	\$ 538,604	547,203	658,625	(111,422)
Sale of Garbage Bags	7,615	7,953	8,500	(547)
Sale of Tipper Cans	5,828	8,484	3,000	5,484
Penalties	4,715	4,824	4,200	624
Miscellaneous	-	4	-	4
Interest	307	172	200	(28)
<b>Total Cash Receipts</b>	<u>557,069</u>	<u>568,640</u>	<u>674,525</u>	<u>(105,885)</u>
<b>Expenditures</b>				
<b>Sanitation</b>				
Personal Services	175,812	184,190	192,798	(8,608)
Commodities	33,570	38,237	36,000	2,237
Contractual Services	27,303	26,898	109,935	(83,037)
Capital Outlay	23,800	31,250	32,050	(800)
Transfers Out				
Municipal Equipment Reserve Fund	90,307	66,390	66,390	-
<b>Total Sanitation</b>	<u>350,792</u>	<u>346,965</u>	<u>437,173</u>	<u>(90,208)</u>
<b>Sanitary/Landfill</b>				
Contractual Services	174,065	191,470	219,500	(28,030)
<b>Other</b>				
Transfers Out				
Employee Benefits	64,697	74,563	-	74,563
General	34,707	33,999	33,999	-
<b>Total Expenditures</b>	<u>624,261</u>	<u>646,997</u>	<u>690,672</u>	<u>(43,675)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(67,192)	(78,357)		<u>62,210</u>
<b>Unencumbered Cash - Beginning</b>	156,319	91,127		
<b>Prior Year Cancelled Encumbrances</b>	<u>2,000</u>	<u>-</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 91,127</u>	<u>12,770</u>		

**CITY OF COLBY, KANSAS**  
**Meter Deposits Fund**  
 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)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Customer Deposits	\$ 59,681	57,095
<b>Expenditures</b>		
Refunds on Meter Deposits	59,681	57,095
<b>Cash Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

**CITY OF COLBY, KANSAS**  
**Electric Reserve for Depreciation Fund**  
 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)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>	\$ -	-
<b>Expenditures</b>	-	-
<b>Cash Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	<u>1,679,953</u>	<u>1,679,953</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 1,679,953</u>	<u>1,679,953</u>

**CITY OF COLBY, KANSAS**  
**Water Reserve for Depreciation Fund**  
 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)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Transfers In		
Water Utility Fund	\$ 100,000	200,000
<b>Expenditures</b>	-	-
<b>Cash Receipts Over (Under) Expenditures</b>	100,000	200,000
<b>Unencumbered Cash - Beginning</b>	401,405	501,405
<b>Unencumbered Cash - Ending</b>	\$ 501,405	701,405

**CITY OF COLBY, KANSAS**  
**Special Law Enforcement Trust Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended December 31, 2012  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Impound Vehicle Proceeds	\$ -	4,000	2,000	2,000
Monies Seized	18,569	-	-	-
Diversion Funds	5,328	5,465	3,000	2,465
Interest	19,120	13,269	12,100	1,169
Miscellaneous	-	130	80	50
<b>Total Cash Receipts</b>	<b>43,017</b>	<b>22,864</b>	<b>17,180</b>	<b>5,684</b>
<b>Expenditures</b>				
Salaries	52,344	51,248	53,190	(1,942)
Office Supplies/Dues/Memberships	1,468	1,791	5,500	(3,709)
Quad County Drug Funds	2,000	-	-	-
Utilities	3,544	2,809	3,250	(441)
Communications	-	-	1,500	(1,500)
Employee Benefits	-	-	9,543	(9,543)
Medical Insurance	-	-	12,045	(12,045)
Training Expense	-	19	2,000	(1,981)
Building/Grounds Maintenance	3,238	488	3,000	(2,512)
Operational Equipment	-	2,004	3,000	(996)
Transfers Out				
Employee Benefits Fund	18,606	21,030	-	21,030
Capital Improvement Reserve Fund	9,051	-	-	-
<b>Total Expenditures</b>	<b>90,251</b>	<b>79,389</b>	<b>93,028</b>	<b>(13,639)</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>(47,234)</b>	<b>(56,525)</b>		<b>(19,323)</b>
<b>Unencumbered Cash - Beginning</b>	<b>2,021,864</b>	<b>1,974,630</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 1,974,630</b>	<b>1,918,105</b>		

**CITY OF COLBY, KANSAS**  
**Agency Funds**  
 Summary of Receipts and Disbursements  
 Regulatory Basis  
 For the Year Ended December 31, 2012

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Payroll Clearing Fund	\$ 16,669	967,855	976,831	7,693
Municipal Court Fund	4,048	84,020	84,241	3,827
LEC Impound Lot Fund	7,060	13,778	11,632	9,206
Fire Department Fund	4,592	8,189	7,686	5,095
<b>Total</b>	<b>\$ 32,369</b>	<b>1,073,842</b>	<b>1,080,390</b>	<b>25,821</b>

**CITY OF COLBY, KANSAS**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2012

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued: Qualified

Internal control over financial reporting

- Material weakness identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency identified? \_\_\_\_\_ Yes   X   None reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

**FEDERAL AWARDS**

Internal control over major programs:

- Material weakness identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency identified? \_\_\_\_\_ Yes   X   None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? \_\_\_\_\_ Yes   X   No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
66.802	Superfund State Site Specific Cooperative Agreements

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes   X   No

**CITY OF COLBY**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2012

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

No financial statement findings are required to be disclosed.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No material findings or questioned costs are required to be disclosed under OMB Circular A-133.

**CITY OF COLBY, KANSAS**  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2012

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No material findings or questioned costs for the year ended December 31, 2011 are required to be disclosed under OMB Circular A-133.

**CITY OF COLBY, KANSAS**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2012

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass- through Number	Federal Expenditures
<b>U.S. Environmental Protection Agency</b>			
Direct Program			
Superfund State Site Specific Cooperative Agreements	66.802	V - 98791501	\$ 601,883
<b>U.S. Department of Transportation</b>			
Direct Program			
Airport Improvement Program	20.106	AIP3-20-0012-13 AIP3-20-0012-14	1,025 10,470
<b>U.S. Department of Homeland Security</b>			
<b>Federal Emergency Management Agency</b>			
Direct Program			
Assistance to Firefighters Grant Program	97.044	EMW -2010-FO-09684	6,972
<b>U.S. Department of Energy</b>			
Passed Through the Kansas Corporation Commission			
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	TC014	<u>100,000</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u>720,350</u></b>

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF COLBY, KANSAS**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2012

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **City of Colby, Kansas**, and is presented on the basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.