

THE CITY OF SEDAN, KANSAS

STATE OF KANSAS 2010 CITY BUDGET FORMS

with

ACCOUNTANTS' COMPILATION REPORT

and

NOTES TO PRESCRIBED FORMS

Years ending December 31, 2010, and 2009 (Forecasted) and year ended December 31, 2008 (Historical)

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Accountants' Compilation Report

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Stafford & Westervelt, Chartered
Certified Public Accountants

118 West Locust, P.O. Box 783
Independence, KS 67301
620-331-2170 Phone, 620-331-2176 Fax

ACCOUNTANTS' COMPILATION REPORT

To The City Council
City of Sedan, Kansas

We have compiled the forecasted budget information and memoranda items of the City of Sedan, Kansas, for the years ending December 31, 2010 and 2009 in the accompanying prescribed forms, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of a forecast information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the forecasted information in the accompanying prescribed forms or assumptions. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We have also compiled the historical statement of cash receipts and expenditures and memoranda items of the City of Sedan, Kansas for the year ended December 31, 2008, in the accompanying prescribed forms, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Such a compilation is limited to presenting, in the form of historical prescribed form financial statements, information that is the representation of the management of the City of Sedan. We have not audited or reviewed the historical financial statements and memoranda items included in the accompanying prescribed forms, and accordingly, do not express an opinion or any other form of assurance on them.

The budgetary information in the accompanying prescribed forms and the memoranda items are presented in accordance with the requirements of the State of Kansas statutory basis of accounting, which differ from accounting principles generally accepted in the United States of America. Accordingly, the budgetary information and memoranda items in these prescribed forms are not designed for those who are not informed about such matters.

Management has elected to omit substantially all the disclosures normally required by the State of Kansas statutory basis of accounting. If the omitted disclosures were included with the historical budgetary information and memoranda items in these prescribed forms, they might influence the user's conclusions about the City's historical financial position and results of operations. Accordingly, the budgetary information and memoranda items in these prescribed forms are not designed for those who are not informed about such matters.

Stafford & Westervelt, Chartered

Independence, Kansas
July 28, 2009

2010

CERTIFICATE

To the Clerk of CHAUTAUQUA COUNTY, State of Kansas
We, the undersigned, officers of
CITY OF SEDAN, KS

- certify that: (1) the hearing mentioned in the attached publication was held;
(2) after the Budget Hearing this budget was duly approved and adopted as the maximum expenditure for the various funds for the year 2010; and
(3) the Amount(s) of Amount of 2009 Ad Valorem Tax Ad Valorem Tax are within statutory limitations.

		2010 Adopted Budget		
		Expenditures	Amount of 2009 Ad Valorem Tax	County Clerk's Use Only
Table of Contents:				
Computation to Determine Limit 2010	Page No. 2			
Allocation of MVT, RVT, 16/20M Veh & Slider	3			
Schedule of Transfers	4			
Statement of Indebtedness	5			
Statement of Lease-Purchases	6			
Fund	K.S.A.			
General	12-101a	494,200	90,344	
Employee Benefits	12-16,102	122,000	67,588	
Library	12-1220	21,000	16,621	
Special Equipment		14,000	6,053	
	9			
Special Highway		51,000		
Municipal Equipment Reserve		17,000		
Special Parks		3,466		
Water		331,000		
Sewer		134,812		
	12			
Non-Budgeted Funds				
	13			
Totals	xxxxxx	1,188,478	180,606	
Budget Summary	14			

Is an Ordinance required to be passed, published, and attached to the budget Yes

County Clerk's Use Only

November 1st Total Assessed Valuation

State Use Only
Received _____
Reviewed by _____
Follow-up: Yes ___ No ___

Assisted by: Stafford & Westervelt

Address: 118 W. Locust, Box 783
Independence, KS 67301

Date Attested: _____ 2009

County Clerk

Governing Body

See Accompanying Summary of Significant Assumptions and Accounting Policies and Accountants' Compilation Report.

CITY OF SEDAN, KS

Computation to Determine Limit for 2010

	Amount of Levy
1. Total Tax Levy Amount in 2009 Budget	+ \$ 189,000
2. Debt Service Levy in 2009 Budget	- \$ 0
3. Tax Levy Excluding Debt Service	\$ 189,000
 2009 Valuation Information for Valuation Adjustments:	
4. New Improvements for 2009 :	+ 5,660
5. Increase in Personal Property for 2009 :	
5a. Personal Property 2009	+ 143,641
5b. Personal Property 2008	- 172,133
5c. Increase in Personal Property (5a minus 5b)	+ 0
	(Use Only if > 0)
6. Valuation of annexed territory for 2009 :	
6a. Real Estate	+ 0
6b. State Assessed	+ 0
6c. New Improvements	- 0
6d. Total Adjustment (Sum of 6a, 6b, and 6c)	+ 0
7. Valuation of Property that has Changed in Use during 2009 :	+ 0
8. Total Valuation Adjustment (Sum of 4, 5c, 6d & 7)	5,660
9. Total Estimated Valuation July 1, 2009	3,325,145
10. Total Valuation less Valuation Adjustment (9 minus 8)	3,319,485
11. Factor for Increase (8 divided by 10)	0.00171
12. Amount of Increase (11 times 3)	+ \$ 322
13. Maximum Tax Levy, excluding debt service, without an Ordinance (3 plus 12)	\$ 189,322
14. Debt Service Levy in this 2010 Budget	0
15. Maximum levy, including debt service, without an Ordinance (13 plus 14)	189,322

If the 2010 budget includes tax levies exceeding the total on line 15, you must adopt an ordinance to exceed this limit, publish the ordinance, and attach a copy of the published ordinance to this budget.

See Accompanying Summary of Significant Assumptions and Accounting Policies and Accountants' Compilation Report.

Allocation of Motor (MVT), Recreational (RVT), 16/20M Vehicle Tax & Slider

Budgeted Funds for 2009	Budget Tax Levy Amt for 2009	Allocation for Year 2010			
		MVT	RVT	16/20M Veh	Slider
General	83,567	19,916	406	191	0
Employee Benefits	77,573	18,487	378	177	0
Library	17,997	4,289	88	41	0
Special Equipment	9,863	2,351	48	22	0
TOTAL	189,000	45,043	920	431	0

County Treas Motor Vehicle Estimate	<u>45,043</u>			
County Treasurers Recreational Vehicle Estimate		<u>920</u>		
County Treasurers 16/20M Vehicle Estimate			<u>431</u>	
County Treasurers Slider Estimate				<u>0</u>
Motor Vehicle Factor	<u>0.23832</u>			
Recreational Vehicle Factor		<u>0.00487</u>		
16/20 Vehicle Factor			<u>0.00228</u>	
Slider Factor				<u>0.00000</u>

See Accompanying Summary of Significant Assumptions and Accounting Policies and Accountants' Compilation Report.

CITY OF SEDAN, KS

2010

FUND PAGE - GENERAL

Adopted Budget General	Prior Year Actual 2008	Current Year Estimate 2009	Proposed Budget Year 2010
Unencumbered Cash Balance Jan 1	-7,784	20,910	29,018
Receipts:			
Ad Valorem Tax	87,881	78,100	xxxxxxxxxxxxxxxxxxxx
Delinquent Tax	4,581	4,000	4,000
Motor Vehicle Tax	16,035	17,403	19,916
Recreational Vehicle Tax		388	406
16/20M Vehicle Tax		317	191
Local sales tax	225,621	220,000	210,000
Compensating tax	45,141	35,000	30,000
Connecting link tax	5,754	5,800	5,800
Fees, licenses, permits	15,888	15,000	15,000
Fines	9,046	8,000	8,000
Franchise tax	58,738	56,000	56,000
Transfer from Water		40,000	20,000
Interest on Idle Funds	3,724	3,000	2,000
Miscellaneous	19,775	7,000	7,000
Does miscellaneous exceed 10% of Total Receipts	no	no	no
Total Receipts	492,184	490,008	378,313
Resources Available:	484,400	510,918	407,331
Expenditures:			
General administrative	55,922	59,000	61,500
Street department	54,599	59,000	62,000
Police	124,579	130,000	133,500
Fire department	9,152	9,000	9,300
Pools	19,544	23,000	25,000
Parks	5,347	8,000	8,000
subtotal	269,143	288,000	299,300
Ambulance contractual	30,000	30,000	30,000
Street lighting	19,692	21,000	22,000
Airport	390	400	400
Museum appropriation	5,000	5,500	5,500
Fair appropriation	5,000	5,500	5,500
Hospital appropriation	134,265	130,000	130,000
Tourism appropriation		1,500	1,500
Miscellaneous			
Does miscellaneous exceed 10% of Total Expendit	no	no	no
Total Expenditures	463,490	481,900	494,200
Unencumbered Cash Balance Dec 31	20,910	29,018	xxxxxxxxxxxxxxxxxxxx
2008 Budget Authority Limited Amot	484,824	Non-Appropriated Balance	
Violation of Budget Law for 2008:		Total Expenditures/Non-Appropriated Bal	
Possible Cash Violation for 2008:		Tax Required	
		Delinquency Computation % Rate	
		Amount of 2009 Ad Valorem Tax	

See Accompanying Summary of Significant Assumptions and Accounting Policies and Accountants' Compilation Report.

CITY OF SEDAN, KS

2010

OPTIONAL DETAIL PAGE FOR ANY FUND

Adopted Budget General Fund - Detail Expend	Prior Year Actual 2008	Current Year Estimate 2009	Proposed Budget Year 2010
Expenditures:			
General administrative			
Salaries	35,448	37,000	38,500
Capital Outlay		1,000	1,000
Commodities	3,016	3,000	3,000
Contractual	17,458	18,000	19,000
Total	55,922	59,000	61,500
Street department			
Salaries	35,678	37,000	38,000
Capital Outlay		5,000	5,000
Commodities	7,652	8,000	8,000
Contractual	11,269	9,000	11,000
Total	54,599	59,000	62,000
Police			
Salaries	82,485	88,000	89,500
Capital Outlay		1,000	1,000
Commodities	20,160	19,000	21,000
Contractual	21,934	15,366	20,341
Lease payments		6,634	1,659
Total	124,579	130,000	133,500
Fire department			
Capital Outlay			
Commodities	3,058	3,000	3,300
Contractual	6,094	6,000	6,000
Total	9,152	9,000	9,300
Pool			
Salaries	13,153	15,000	16,000
Commodities	3,923	5,500	6,500
Contractual	2,468	2,500	2,500
Total	19,544	23,000	25,000
Park			
Commodities	3,229	3,000	3,000
Contractual	2,118	5,000	5,000
Total	5,347	8,000	8,000
Total	0	0	0
Page Total	269,143	288,000	299,300

See Accompanying Summary of Significant Assumptions and Accounting Policies and Accountants' Compilation Report.

CITY OF SEDAN, KS

2010

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget

Employee Benefits

	Prior Year Actual 2008	Current Year Estimate 2009	Proposed Budget Year 2010
Unencumbered Cash Balance Jan 1	6,193	13,407	8,470
Receipts:			
Ad Valorem Tax	76,206	72,498	xxxxxxxxxxxxxxxxxxxx
Delinquent Tax	5,355	2,500	2,500
Motor Vehicle Tax	21,356	14,477	18,487
Recreational Vehicle Tax		324	378
16/20M Vehicle Tax		264	177
			0
Transfer from Water	10,000	25,000	25,000
Refunds	1,983	2,000	2,000
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts	no	no	no
Total Receipts	114,900	117,063	48,542
Resources Available:	121,093	130,470	57,012
Expenditures:			
Contractual	107,686	122,000	122,000
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures	no	no	no
Total Expenditures	107,686	122,000	122,000
Unencumbered Cash Balance Dec 31	13,407	8,470	xxxxxxxxxxxxxxxxxxxx
2008 Budget Authority Limited Amount: 120,000		Non-Appropriated Balance	
Violation of Budget Law for 2008:		Total Expenditures/Non-Appropriated Bal	122,000
Possible Cash Violation for 2008:		Tax Required	64,988
		Delinquency Computation %	4.000%
		Amount of 2009 Ad Valorem Tax	67,588

Adopted Budget

Library

	Prior Year Actual 2008	Current Year Estimate 2009	Proposed Budget Year 2010
Unencumbered Cash Balance Jan 1	0	0	0
Receipts:			
Ad Valorem Tax	11,914	16,820	xxxxxxxxxxxxxxxxxxxx
Delinquent Tax	961	600	600
Motor Vehicle Tax	3,814	2,600	4,289
Recreational Vehicle Tax		100	88
16/20M Vehicle Tax		100	41
Slider			0
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	16,689	20,220	5,018
Resources Available:	16,689	20,220	5,018
Expenditures:			
Appropriations	16,689	20,220	21,000
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	16,689	20,220	21,000
Unencumbered Cash Balance Dec 31	0	0	xxxxxxxxxxxxxxxxxxxx
2008 Budget Authority Limited Amount: 17,495		Non-Appropriated Balance	
Violation of Budget Law for 2008:		Total Expenditures/Non-Appropriated Bal	21,000
Possible Cash Violation for 2008:		Tax Required	15,982
		Delinquency Computation % Rate	4.000%
		Amount of 2009 Ad Valorem Tax	16,621

See Accompanying Summary of Significant Assumptions and Accounting Policies and Accountants' Compilation Report.

CITY OF SEDAN, KS

2010

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget Special Equipment	Prior Year Actual 2008	Current Year Estimate 2009	Proposed Budget Year 2010
Unencumbered Cash Balance Jan 1	8,695	5,906	5,759
Receipts:			
Ad Valorem Tax	3,082	9,218	xxxxxxxxxxxxxxxxxxxx
Delinquent Tax	312	610	
Motor Vehicle Tax	1,947	14	2,351
Recreational Vehicle Tax		11	48
16/20M Vehicle Tax			22
refunds	891		
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts	no	no	no
Total Receipts	6,232	9,853	2,421
Resources Available:	14,927	15,759	8,180
Expenditures:			
Capital outlay	9,021	10,000	14,000
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures	no	no	no
Total Expenditures	9,021	10,000	14,000
Unencumbered Cash Balance Dec 31	5,906	5,759	xxxxxxxxxxxxxxxxxxxx
2008 Budget Authority Limited Amount: 15,000		Non-Appropriated Balance	
Violation of Budget Law for 2008:		Total Expenditures/Non-Appropriated Bal	14,000
Possible Cash Violation for 2008:		Tax Required	5,820
	Delinquency Computation % Rate	4.000%	233
	Amount of 2009 Ad Valorem Tax		6,053

Adopted Budget

	Prior Year Actual 2008	Current Year Estimate 2009	Proposed Budget Year 2010
Unencumbered Cash Balance Jan 1		0	0
Receipts:			
Ad Valorem Tax		0	xxxxxxxxxxxxxxxxxxxx
Delinquent Tax			
Motor Vehicle Tax			
Recreational Vehicle Tax			
16/20M Vehicle Tax			
Slider			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	0	0	0
Resources Available:	0	0	0
Expenditures:			
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	0	0	0
Unencumbered Cash Balance Dec 31	0	0	xxxxxxxxxxxxxxxxxxxx
2008 Budget Authority Limited Amount: 0		Non-Appropriated Balance	
Violation of Budget Law for 2008:		Total Expenditures/Non-Appropriated Bal	0
Possible Cash Violation for 2008:		Tax Required	0
	Delinquency Computation % Rate	4.000%	0
	Amount of 2009 Ad Valorem Tax		0

See Accompanying Summary of Significant Assumptions and Accounting Policies and Accountants' Compilation Report.

CITY OF SEDAN, KS

2010

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Special Highway	Prior Year Actual 2008	Current Year Estimate 2009	Proposed Budget Year 2010
Unencumbered Cash Balance Jan 1	41,266	34,928	17,508
Receipts:			
State of Kansas Gas Tax	34,523	30,580	34,180
County Gas Tax			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts	no	no	no
Total Receipts	34,523	30,580	34,180
Resources Available:	75,789	65,508	51,688
Expenditures:			
Salaries & Wages	30,391	33,000	34,000
Street Repair and Maint	7,470	10,000	12,000
Equipment lease	3,000	5,000	5,000
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures	no	no	no
Total Expenditures	40,861	48,000	51,000
Unencumbered Cash Balance Dec 31	34,928	17,508	688

2008 Budget Authority Limited Amount: 55,000

Violation of Budget Law for 2008:

Possible Cash Violation for 2008:

Adopted Budget Municipal Equipment Reserve	Prior Year Actual 2008	Current Year Estimate 2009	Proposed Budget Year 2010
Unencumbered Cash Balance Jan 1	9,150	6,725	5,725
Receipts:			
Rental	7,600	2,000	2,000
Transfer from Water	5,000	10,000	10,000
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	12,600	12,000	12,000
Resources Available:	21,750	18,725	17,725
Expenditures:			
Capital outlay	14,025	12,000	15,000
Lease payments	1,000	1,000	2,000
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	15,025	13,000	17,000
Unencumbered Cash Balance Dec 31	6,725	5,725	725

2008 Budget Authority Limited Amount: 15,000

Violation of Budget Law for 2008:

Possible Cash Violation for 2008:

See Accompanying Summary of Significant Assumptions and Accounting Policies and Accountants' Compilation Report.

CITY OF SEDAN, KS

2010

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Sewer	Prior Year Actual 2008	Current Year Estimate 2009	Proposed Budget Year 2010
Unencumbered Cash Balance Jan 1	42,044	47,647	39,836
Receipts:			
Fees	122,251	118,000	119,000
Interest on Idle Funds			
Miscellaneous	1,063		
Does miscellaneous exceed 10% of Total Receipts	no	no	no
Total Receipts	123,314	118,000	119,000
Resources Available:	165,358	165,647	158,836
Expenditures:			
Salaries & Wages	31,241	35,000	50,000
Commodities	10,744	13,000	11,000
Contractual	13,915	16,000	12,000
KDHE loan principal	43,006	44,408	45,856
KDHE loan interest	18,805	17,403	15,956
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	117,711	125,811	134,812
Unencumbered Cash Balance Dec 31	47,647	39,836	24,024

2008 Budget Authority Limited Amount: 137,000
 Violation of Budget Law for 2008:
 Possible Cash Violation for 2008:

Adopted Budget	Prior Year Actual 2008	Current Year Estimate 2009	Proposed Budget Year 2010
Unencumbered Cash Balance Jan 1		0	0
Receipts:			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	0	0	0
Resources Available:	0	0	0
Expenditures:			
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	0	0	0
Unencumbered Cash Balance Dec 31	0	0	0

2008 Budget Authority Limited Amount: 0
 Violation of Budget Law for 2008:
 Possible Cash Violation for 2008:

See Accompanying Summary of Significant Assumptions and Accounting Policies and Accountants' Compilation Report.

CITY OF SEDAN, KS

2010

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Special Parks	Prior Year Actual 2008	Current Year Estimate 2009	Proposed Budget Year 2010
Unencumbered Cash Balance Jan 1	44,340	45,297	666
Receipts:			
Transfer from Water			2,000
Interest on Idle Funds	957	800	800
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts			
Total Receipts	957	800	2,800
Resources Available:	45,297	46,097	3,466
Expenditures:			
Park repairs & improvements		45,431	3,466
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures			
Total Expenditures	0	45,431	3,466
Unencumbered Cash Balance Dec 31	45,297	666	0

2008 Budget Authority Limited Amount: 0

Violation of Budget Law for 2008:

Possible Cash Violation for 2008:

Adopted Budget Water	Prior Year Actual 2008	Current Year Estimate 2009	Proposed Budget Year 2010
Unencumbered Cash Balance Jan 1	298,666	310,350	237,850
Receipts:			
Sales	248,997	255,000	250,000
Other fees	18,552	18,000	18,000
Interest on Idle Funds	5,488	4,500	3,500
Miscellaneous			
Does miscellaneous exceed 10% of Total Receipts	no	no	no
Total Receipts	273,037	277,500	271,500
Resources Available:	571,703	587,850	509,350
Expenditures:			
Salaries & Wages	69,952	70,000	64,000
Commodities purchased	122,191	150,000	155,000
Contractual	54,210	55,000	55,000
Transfer to Employee benefits	10,000	25,000	25,000
Transfer to Municipal equipment	5,000	10,000	10,000
Transfer to General		40,000	20,000
Transfer to Special parks			2,000
Miscellaneous			
Does miscellaneous exceed 10% of Total Expenditures	no	no	no
Total Expenditures	261,353	350,000	331,000
Unencumbered Cash Balance Dec 31	310,350	237,850	178,350

2008 Budget Authority Limited Amount: 360,000

Violation of Budget Law for 2008:

Possible Cash Violation for 2008:

See Accompanying Summary of Significant Assumptions and Accounting Policies and Accountants' Compilation Report.

NOTICE OF BUDGET HEARING

The governing body of
CITY OF SEDAN, KS
will meet on the 17th day of August, 2008, at 7 p.m. at City Hall for the purpose of
hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax.

Detailed budget information is available at City Hall
and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2010 Expenditures and Amount of Current Year Estimate for 2009 Ad Valorem Tax establish the maximum limits of the 2010 budget.
Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2008		Current Year Estimate for 2009		Proposed Budget for 2010		
	Expenditures	Actual Tax Rate*	Expenditures	Actual Tax Rate*	Expenditures	Amount of 2010 Ad Valorem Tax	Estimate Tax Rate*
General	463,490	25.305	481,900	24.235	494,200	90,344	27.170
Employee Benefits	107,686	21.051	122,000	22.497	122,000	67,588	20.326
Library	16,689	3.298	20,220	5.219	21,000	16,621	4.999
Special Equipment	9,021	0.887	10,000	2.860	14,000	6,053	1.820
Special Highway	40,861		48,000		51,000		
Municipal Equipment Reserve	15,025		13,000		17,000		
Special Parks			45,431		3,466		
Water	261,353		350,000		331,000		
Sewer	117,711		125,811		134,812		
Non-Budgeted Funds							
Totals	1,031,836	50.541	1,216,362	54.811	1,188,478	180,606	54.315
Less: Transfers	15,000		75,000		57,000		
Net Expenditure	1,016,836		1,141,362		1,131,478		
Total Tax Levied	175,852		189,000				
Assessed Valuation	3,479,385		3,448,192		3,325,145		
Outstanding Indebtedness, January 1,	2007		2008		2009		
G.O. Bonds	0		0		0		
Revenue Bonds	0		0		0		
Other	636,649		595,001		551,995		
Lease Purchase Principal	55,965		43,794		30,929		
Total	692,614		638,795		582,924		

*Tax rates are expressed in mills

City Official Title

See Accompanying Summary of Significant Assumptions and Accounting Policies and Accountants' Compilation Report.

CITY OF SEDAN, KANSAS

NOTES TO PRESCRIBED FORMS
December 31, 2010, 2009 (Forecast) and 2008 (Historical)

**SELECTED INFORMATION - SUBSTANTIALLY ALL DISCLOSURES REQUIRED BY
THE KANSAS STATUTORY BASIS OF ACCOUNTING ARE NOT INCLUDED**

NOTE 1. SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS

This financial forecast presents, to the best of management's knowledge and belief, the City's expected results of operations for the forecast periods. Accordingly, the forecast reflects management's judgment as of July 24, 2009, the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Assessed valuation - The valuations of property in the City are estimates determined by the Chautauqua County, Kansas, appraiser's office.

Receipts - Advalorem tax revenues are based on expected collection of taxes levied for the 2010 and 2009 budget years and assume a 4% delinquency rate. Motor vehicle, recreational, 16/20M vehicle, and state gas taxes are based on collection estimates supplied by Chautauqua County, Kansas and the State of Kansas. Other revenues are assumed to be approximately the same as historical receipts for the year 2008.

Expenditures - Personal services (wages) are expected to increase by approximately 3% per year. The actual amount of increase may vary dependent upon the number of personnel assigned to each department within the City and the hiring of or dismissal of employees.

Employee benefits, which include payroll taxes and medical insurance, are projected to increase over 2008 historical costs 5-10% due to raises in medical insurance premiums for 2009 and 2010.

Commodities, contractual and capital outlay expenditures are projected to increase 2-5% per year due to expected inflationary factors.

Debt service expenditures are based on the scheduled payments in the debt agreements or ordinances for debt that existed as of July 24, 2009.

NOTE 2. BASIS OF ACCOUNTING

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

CITY OF Sedan, KANSAS

NOTES TO PRESCRIBED FORMS
December 31, 2010, 2009 (Forecast) and 2008 (Historical)

SELECTED INFORMATION - SUBSTANTIALLY ALL DISCLOSURES REQUIRED BY
THE KANSAS STATUTORY BASIS OF ACCOUNTING ARE NOT INCLUDED - Continued

NOTE 2. BASIS OF ACCOUNTING - Continued

DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES The basis of accounting described above results in a financial presentation which shows cash receipts, disbursements and unencumbered cash balances. Balance sheets that would have shown non-cash assets such as receivables, inventories, prepaid expense; liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

Under generally accepted accounting principles, 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 accounting principles generally accepted in the United States of America.