

THE CITY OF CHETOPA, KANSAS

STATE OF KANSAS 2013 CITY BUDGET FORMS

with

ACCOUNTANTS' COMPILATION REPORT

And

NOTES TO PRESCRIBED FORMS

Years ending December 31, 2013 and 2012 (Forecasted) and year ended  
December 31, 2011 (Historical)

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**stafford & westervelt**

**Stafford & Westervelt, Chartered**  
Certified Public Accountants

Offices in  
Chanute, Parsons and Pittsburg, Kansas  
Bentonville and Rogers, Arkansas

## ACCOUNTANTS' COMPILATION REPORT

To The City Council  
City of Chetopa, Kansas

We have compiled the forecasted budget information and memoranda items of the City of Chetopa, Kansas, for the years ending December 31, 2013 and 2012 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 Chetopa, Kansas for the year ended December 31, 2011, 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 Chetopa. 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

Parsons, Kansas  
August 2, 2012

*Stafford & Westervelt, Chartered*



**Computation to Determine Limit for 2013**

	<b>Amount of Levy</b>
1. Total Tax Levy Amount in 2012 Budget	+ \$ <u>194,556</u>
2. Debt Service Levy in 2012 Budget	- \$ <u>0</u>
3. Tax Levy Excluding Debt Service	\$ <u>194,556</u>
 <b>2012 Valuation Information for Valuation Adjustments:</b>	
4. New Improvements for 2012:	+ <u>6,471</u>
5. Increase in Personal Property for 2012:	
5a. Personal Property 2012	+ <u>170,326</u>
5b. Personal Property 2011	- <u>192,614</u>
5c. Increase in Personal Property (5a minus 5b)	+ <u>0</u>
	(Use Only if > 0)
6. Valuation of annexed territory for 2012:	
6a. Real Estate	+ <u>0</u>
6b. State Assessed	+ <u>0</u>
6c. New Improvements	- <u>0</u>
6d. Total Adjustment (Sum of 6a, 6b, and 6c)	+ <u>0</u>
7. Valuation of Property that has Changed in Use during 2012:	<u>24,256</u>
8. Total Valuation Adjustment (Sum of 4, 5c, 6d & 7)	<u>30,727</u>
9. Total Estimated Valuation July 1, 2012	<u>3,294,039</u>
10. Total Valuation less Valuation Adjustment (9 minus 8)	<u>3,263,312</u>
11. Factor for Increase (8 divided by 10)	<u>0.00942</u>
12. Amount of Increase (11 times 3)	+ \$ <u>1,832</u>
13. Maximum Tax Levy, excluding debt service, without an Ordinance (3 plus 12)	\$ <u>196,388</u>
14. Debt Service Levy in this 2013 Budget	<u>0</u>
15. Maximum levy, including debt service, without an Ordinance (13 plus 14)	<u>196,388</u>

If the 2013 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.

**Allocation of Motor, Recreational, 16/20M Vehicle Tax**

Budgeted Funds for 2012	Budget Tax Levy Amount for 2011	Allocation for Year 2013		
		MVT	RVT	16/20M Veh
General	73,425	13,211	62	101
Debt Service				
Library	9,935	1,788	8	14
Employee Benefits	62,037	11,163	51	86
Fire Equipment	543	98	0	1
Industrial Development	4,577	824	4	6
Special Liability	44,039	7,925	36	61
<b>TOTAL</b>	<b>194,556</b>	<b>35,009</b>	<b>161</b>	<b>269</b>

County Treas Motor Vehicle Estimate 35,009  
 County Treasurers Recreational Vehicle Estimate 161  
 County Treasurers 16/20M Vehicle Estimate 269

Motor Vehicle Factor 0.17994  
 Recreational Vehicle Factor 0.00083  
 16/20M Vehicle Factor 0.00138





STATEMENT OF CONDITIONAL LEASE-PURCHASE AND CERTIFICATE OF PARTICIPATION\*

Item Purchased	Contract Date	Term of Contract (Months)	Interest Rate %	Total Amount Financed (Beginning Principal)	Principal Balance On Jan 1 2012	Payments Due 2012	Payments Due 2013
Trash Truck	3/6/2007	60	5.00	60,000	3,393	3,422	
2008 Ford F-150 Truck	3/28/2008	60	5.40	24,221	6,617	5,472	1,368
Backhoe	5/28/2008	60	5.00	57,710	18,871	13,085	6,543
2003 Freightliner FL80	4/8/2010	120	5.00	80,000	69,281	10,184	10,184
Pool Liner	6/7/2011	60	5.00	33,871	30,866	7,675	7,675
2011 Police Truck	4/5/2011	60	5.00	30,726	27,064	6,960	6,960
2012 Police Car	4/3/2012	60	4.75	28,087	0	4,217	6,326
2004 Utility Truck	2/21/2012	36	4.75	35,616	0	10,615	12,737
<b>Totals</b>					<b>156,092</b>	<b>61,630</b>	<b>51,793</b>

\*\*\*If you are merely leasing/renting with no intent to purchase, do not list--such transactions are not lease-purchases.

**WORKSHEET FOR STATE GRANT-IN-AID TO PUBLIC LIBRARIES AND  
REGIONAL LIBRARY SYSTEMS**

**Budgeted Year: 2013**

Library found in: City of Chetopa  
Lafayette County

Two tests are used to determine eligibility for State Library Grant. If the grant is approved, then the municipality's library will be paid the grant on February 15 of each year.

First test:

	Current Year <u>2012</u>	Proposed Year <u>2013</u>
Ad Valorem Tax	\$9,935	\$10,191
Delinquent Tax	\$500	\$500
Motor Vehicle Tax	\$1,826	\$1,788
Recreational Vehicle Tax	\$6	\$8
16/20M Vehicle Tax	\$6	\$14
LAVTR	\$0	\$0
	<u>\$0</u>	<u>\$0</u>
<b>TOTAL TAXES</b>	<b>\$12,273</b>	<b>\$12,501</b>
Difference in Total Taxes:	\$228	
Qualify for grant:	Qualify	

Second test:

Assessed Valuation	\$3,209,572	\$3,294,039
Did Assessed Valuation Decrease?	No	
Levy Rate	3.095	3.094
Difference in Levy Rate:	(0.001)	
Qualify for grant:	Not Qualify	

Overall does the municipality qualify for a grant? **Qualify**

If the municipality would not have qualified for a grant, please see the below narrative for assistance from the State Library.





City of Chetopa

2013

Adopted Budget General Fund - Detail Expenditures	Prior Year Actual for 2011	Current Year Estimate for 2012	Proposed Budget Year for 2013
<b>Expenditures:</b>			
<b>General Government</b>			
Salaries	4,666	5,800	6,000
Contractual	35,785	42,500	42,900
Commodities	6,835	13,250	13,500
Capital Outlay			
Miscellaneous	186		
State Portion of Fines & Fees	37,992		38,000
<b>Total</b>	<b>85,464</b>	<b>61,550</b>	<b>100,400</b>
<b>Police</b>			
Salaries	147,274	155,000	160,000
Contractual	15,562	16,750	17,500
Commodities	28,436	25,400	26,500
Lease Payments	11,149	19,170	14,654
<b>Total</b>	<b>202,421</b>	<b>216,320</b>	<b>218,654</b>
<b>Fire Department</b>			
Salaries	3,111	4,300	4,450
Contractual	5,054	6,750	6,750
Commodities	10,849	8,850	8,850
Lease Payments	11,033	10,185	10,185
<b>Total</b>	<b>30,047</b>	<b>30,085</b>	<b>30,235</b>
<b>Streets &amp; Lighting</b>			
Salaries	62,239	57,300	59,000
Contractual	5,144	7,000	7,000
Commodities	12,692	11,600	11,600
Capital Outlay		2,750	2,750
<b>Total</b>	<b>80,075</b>	<b>78,650</b>	<b>80,350</b>
<b>Parks</b>			
Salaries	9,272	33,000	34,000
Contractual	2,842	5,000	5,000
Commodities	3,535	3,500	3,500
Capital Outlay			
<b>Total</b>	<b>15,649</b>	<b>41,500</b>	<b>42,500</b>
<b>Pool</b>			
Salaries	15,057	10,900	11,300
Contractual	1,346	2,600	2,600
Commodities	6,127	11,000	11,000
Capital Outlay			
<b>Total</b>	<b>22,530</b>	<b>24,500</b>	<b>24,900</b>
<b>First Responder</b>			
Salaries	2,810	3,800	3,900
Contractual		2,000	2,000
Commodities	2,588	4,400	4,400
Lease Payments	2,099		
<b>Total</b>	<b>7,497</b>	<b>10,200</b>	<b>10,300</b>
<b>Museum</b>			
Salaries		1,500	1,550
Contractual	701		
Commodities	218		
Capital Outlay			
<b>Total</b>	<b>919</b>	<b>1,500</b>	<b>1,550</b>
<b>Page Total</b>	<b>444,602</b>	<b>464,305</b>	<b>508,889</b>

(Note: Should agree with general sub-totals.)

City of Chetopa

2013

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget Debt Service	Prior Year Actual for 2011	Current Year Estimate for 2012	Proposed Budget Year for 2013
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			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
<b>Total Receipts</b>	0	0	0
<b>Resources Available:</b>	0	0	0
Expenditures:			
Neighborhood Revitalization Rebate			
Miscellaneous			
Does miscellaneous exceed 10% of Total Exp			
<b>Total Expenditures</b>	0	0	0
Unencumbered Cash Balance Dec 31	0	0	XXXXXXXXXXXXXXXXXXXX
2011/2012 Budget Authority Amount:	0	0	XXXXXXXXXXXXXXXXXXXX
		Non-Appropriated Balance	
		Total Expenditure/Non-Appr Balance	0
		Tax Required	0
	Delinquent Comp Rate:	5.0%	0
	Amount of 2012 Ad Valorem Tax:		0

Adopted Budget Library	Prior Year Actual for 2011	Current Year Estimate for 2012	Proposed Budget Year for 2013
Unencumbered Cash Balance Jan 1	0	391	864
Receipts:			
Ad Valorem Tax	7,506	9,935	XXXXXXXXXXXXXXXXXXXX
Delinquent Tax	565	500	500
Motor Vehicle Tax	1,868	1,826	1,788
Recreational Vehicle Tax		6	8
16/20M Vehicle Tax		6	14
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
<b>Total Receipts</b>	9,939	12,273	2,310
<b>Resources Available:</b>	9,939	12,664	3,174
Expenditures:			
Appropriations	9,548	11,800	12,880
Neighborhood Revitalization Rebate			
Miscellaneous			
Does miscellaneous exceed 10% of Total Exp			
<b>Total Expenditures</b>	9,548	11,800	12,880
Unencumbered Cash Balance Dec 31	391	864	XXXXXXXXXXXXXXXXXXXX
2011/2012 Budget Authority Amount:	12,000	11,800	XXXXXXXXXXXXXXXXXXXX
		Non-Appropriated Balance	
		Total Expenditure/Non-Appr Balance	12,880
		Tax Required	9,706
	Delinquent Comp Rate:	5.0%	485
	Amount of 2012 Ad Valorem Tax:		10,191



City of Chetopa

2013

**FUND PAGE FOR FUNDS WITH A TAX LEVY**

Adopted Budget Industrial Development	Prior Year Actual for 2011	Current Year Estimate for 2012	Proposed Budget Year for 2013
Unencumbered Cash Balance Jan 1	10,460	1,498	216
Receipts:			
Ad Valorem Tax	4,659	4,577	XXXXXXXXXXXXXXXXXXXX
Delinquent Tax	230		
Motor Vehicle Tax	1,076	1,133	824
Recreational Vehicle Tax		4	4
16/20M Vehicle Tax		4	6
Transfers from Electric	6,500	14,000	15,000
Loan Payments	5,120	2,000	2,000
Interest on Idle Funds			
Miscellaneous	0		
Does miscellaneous exceed 10% Total Rec			
<b>Total Receipts</b>	<b>17,585</b>	<b>21,718</b>	<b>17,834</b>
<b>Resources Available:</b>	<b>28,045</b>	<b>23,216</b>	<b>18,050</b>
Expenditures:			
Commodities	26,547	19,500	19,500
Contractual		3,500	3,500
Neighborhood Revitalization Rebate			
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
<b>Total Expenditures</b>	<b>26,547</b>	<b>23,000</b>	<b>23,000</b>
Unencumbered Cash Balance Dec 31	1,498	216	XXXXXXXXXXXXXXXXXXXX
2011/2012 Budget Authority Amount:	28,400	23,000	XXXXXXXXXXXXXXXXXXXX
		Non-Appropriated Balance	
		Total Expenditure/Non-Appr Balance	23,000
		Tax Required	4,950
Delinquent Comp Rate:	5.0%		248
	Amount of 2012 Ad Valorem Tax		5,198

Adopted Budget Special Liability	Prior Year Actual for 2011	Current Year Estimate for 2012	Proposed Budget Year for 2013
Unencumbered Cash Balance Jan 1	15,751	53,254	48,170
Receipts:			
Ad Valorem Tax	38,909	44,039	XXXXXXXXXXXXXXXXXXXX
Delinquent Tax	2,542		
Motor Vehicle Tax	7,394	7,822	7,925
Recreational Vehicle Tax		27	36
16/20M Vehicle Tax		28	61
Transfer from Electric	110,000	50,000	35,000
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
<b>Total Receipts</b>	<b>158,845</b>	<b>101,916</b>	<b>43,022</b>
<b>Resources Available:</b>	<b>174,596</b>	<b>155,170</b>	<b>91,192</b>
Expenditures:			
Contractual	121,342	107,000	134,250
Neighborhood Revitalization Rebate			
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
<b>Total Expenditures</b>	<b>121,342</b>	<b>107,000</b>	<b>134,250</b>
Unencumbered Cash Balance Dec 31	53,254	48,170	XXXXXXXXXXXXXXXXXXXX
2011/2012 Budget Authority Amount:	164,000	107,000	XXXXXXXXXXXXXXXXXXXX
		Non-Appropriated Balance	
		Total Expenditure/Non-Appr Balance	134,250
		Tax Required	43,058
Delinquent Comp Rate:	5.0%		2,153
	Amount of 2012 Ad Valorem Tax		45,211

City of Chetopa

2013

**FUND PAGE FOR FUNDS WITH NO TAX LEVY**

Adopted Budget <b>Special Highway</b>	Prior Year Actual for 2011	Current Year Estimate for 2012	Proposed Budget Year for 2013
Unencumbered Cash Balance Jan 1	140,449	118,429	125,909
Receipts:			
State of Kansas Gas Tax	30,725	29,280	29,280
County Transfers Gas		0	0
Transfer from General	10,654	8,000	8,000
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
<b>Total Receipts</b>	<b>41,379</b>	<b>37,280</b>	<b>37,280</b>
<b>Resources Available:</b>	<b>181,828</b>	<b>155,709</b>	<b>163,189</b>
Expenditures:			
Contractual	8,969	15,300	15,300
Commodities	54,430	14,500	14,500
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
<b>Total Expenditures</b>	<b>63,399</b>	<b>29,800</b>	<b>29,800</b>
Unencumbered Cash Balance Dec 31	118,429	125,909	133,389
2011/2012 Budget Authority Amount:	65,000	29,800	

Adopted Budget

<b>Special Parks</b>	Prior Year Actual for 2011	Current Year Estimate for 2012	Proposed Budget Year for 2013
Unencumbered Cash Balance Jan 1	34,471	44,431	50,344
Receipts:			
Transfer from General	31,959	30,000	30,000
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
<b>Total Receipts</b>	<b>31,959</b>	<b>30,000</b>	<b>30,000</b>
<b>Resources Available:</b>	<b>66,430</b>	<b>74,431</b>	<b>80,344</b>
Expenditures:			
Contractual	736	1,250	8,000
Commodities	17,426	19,000	16,200
Lease Payments	3,837	3,837	7,675
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
<b>Total Expenditures</b>	<b>21,999</b>	<b>24,087</b>	<b>31,875</b>
Unencumbered Cash Balance Dec 31	44,431	50,344	48,469
2011/2012 Budget Authority Amount:	43,195	24,200	

City of Chetopa

2013

**FUND PAGE FOR FUNDS WITH NO TAX LEVY**

Adopted Budget <b>Special Law Enforcement</b>	Prior Year Actual for 2011	Current Year Estimate for 2012	Proposed Budget Year for 2013
Unencumbered Cash Balance Jan 1	185	185	185
Receipts:			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
<b>Total Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Resources Available:</b>	<b>185</b>	<b>185</b>	<b>185</b>
Expenditures:			
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unencumbered Cash Balance Dec 31	185	185	185
2011/2012 Budget Authority Amount:	500	0	

Adopted Budget

<b>Water</b>	Prior Year Actual for 2011	Current Year Estimate for 2012	Proposed Budget Year for 2013
Unencumbered Cash Balance Jan 1	140,203	165,726	124,839
Receipts:			
Sales	364,780	395,000	395,000
Customer Deposits	4,225	4,000	4,000
Interest on Idle Funds	928	1,200	900
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
<b>Total Receipts</b>	<b>369,933</b>	<b>400,200</b>	<b>399,900</b>
<b>Resources Available:</b>	<b>510,136</b>	<b>565,926</b>	<b>524,739</b>
Expenditures:			
Personal Services	88,360	102,000	105,060
Contractual	24,268	112,000	112,000
Commodities	93,637	94,700	94,700
Refunds	7,040	6,450	6,450
Debt Service - Bonds	8,133	8,128	8,119
KDHE	109,085	109,085	109,085
Leases	9,451	8,724	4,362
Taxes and Fees	4,436		
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
<b>Total Expenditures</b>	<b>344,410</b>	<b>441,087</b>	<b>439,776</b>
Unencumbered Cash Balance Dec 31	165,726	124,839	84,963
2011/2012 Budget Authority Amount:	401,888	441,087	

City of Chetopa

2013

**FUND PAGE FOR FUNDS WITH NO TAX LEVY**

Adopted Budget <b>Electric</b>	Prior Year Actual for 2011	Current Year Estimate for 2012	Proposed Budget Year for 2013
Unencumbered Cash Balance Jan 1	543,284	380,029	430,329
Receipts:			
Sales	1,322,075	1,400,000	1,400,000
Customer Deposits	11,900	12,000	12,000
Interest on Idle Funds	1,094	2,300	1,200
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
<b>Total Receipts</b>	<b>1,335,069</b>	<b>1,414,300</b>	<b>1,413,200</b>
<b>Resources Available:</b>	<b>1,878,353</b>	<b>1,794,329</b>	<b>1,843,529</b>
Expenditures:			
Personal Services	138,335	125,000	128,750
Contractual	110,505	20,000	20,000
Commodities	909,634	927,385	938,000
Deposit Refunds	19,350	4,000	4,000
Transfers	320,500	277,000	165,000
Lease Payments		10,615	12,737
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
<b>Total Expenditures</b>	<b>1,498,324</b>	<b>1,364,000</b>	<b>1,268,487</b>
Unencumbered Cash Balance Dec 31	380,029	430,329	575,042
2011/2012 Budget Authority Amount:	1,520,000	1,364,000	

Adopted Budget

Adopted Budget <b>Garbage &amp; Refuds</b>	Prior Year Actual for 2011	Current Year Estimate for 2012	Proposed Budget Year for 2013
Unencumbered Cash Balance Jan 1	113,969	98,630	123,908
Receipts:			
Sales	117,007	136,000	136,000
Interest on Idle Funds	236	700	300
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
<b>Total Receipts</b>	<b>117,243</b>	<b>136,700</b>	<b>136,300</b>
<b>Resources Available:</b>	<b>231,212</b>	<b>235,330</b>	<b>260,208</b>
Expenditures:			
Personal Services	68,118	51,000	52,530
Contractual	33,938	45,000	45,000
Commodities	13,532	12,000	12,000
Lease Payments	16,994	3,422	0
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
<b>Total Expenditures</b>	<b>132,582</b>	<b>111,422</b>	<b>109,530</b>
Unencumbered Cash Balance Dec 31	98,630	123,908	150,678
2011/2012 Budget Authority Amount:	143,300	111,422	

City of Chetopa

2013

**FUND PAGE FOR FUNDS WITH NO TAX LEVY**

Adopted Budget <b>Sewer</b>	Prior Year Actual for 2011	Current Year Estimate for 2012	Proposed Budget Year for 2013
Unencumbered Cash Balance Jan 1	-180,307	262,360	332,259
Receipts:			
Sales	174,116	204,000	204,000
Grant/Loan Funds	526,850		
Permanent Financing		3,000,000	
Interest on Idle Funds	105	400	100
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
<b>Total Receipts</b>	<b>701,071</b>	<b>3,204,400</b>	<b>204,100</b>
<b>Resources Available:</b>	<b>520,764</b>	<b>3,466,760</b>	<b>536,359</b>
Expenditures:			
Personal Services	33,817	30,800	31,750
Contractual	194,182	73,000	73,000
Commodities	3,740	4,400	4,400
Debt Service	21,939	21,939	146,534
Lease Payments	4,726	4,362	2,181
Temporary Notes		3,000,000	
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
<b>Total Expenditures</b>	<b>258,404</b>	<b>3,134,501</b>	<b>257,865</b>
Unencumbered Cash Balance Dec 31	262,360	332,259	278,494
2011/2012 Budget Authority Amount:	184,220	3,134,501	

See Tab A

Adopted Budget

0	Prior Year Actual for 2011	Current Year Estimate for 2012	Proposed Budget Year for 2013
Unencumbered Cash Balance Jan 1		0	0
Receipts:			
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% Total Rec			
<b>Total Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Resources Available:</b>	<b>0</b>	<b>0</b>	<b>0</b>
Expenditures:			
Miscellaneous			
Does miscellaneous exceed 10% Total Exp			
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>
Unencumbered Cash Balance Dec 31	0	0	0
2011/2012 Budget Authority Amount:	0	0	



**CITY OF CHETOPA, KANSAS**

**NOTES TO PRESCRIBED FORMS**

**December 31, 2013, 2012 (Forecast) and 2011 (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 August 2, 2012, 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 Labette County, Kansas, appraiser's office.

*Receipts* – Ad valorem tax revenues are based on expected collection of taxes levied for the 2013 and 2012 budget years and assume a 5% delinquency rate. Motor vehicle, recreational, 16/20M vehicle, and state gas taxes are based on collection estimates supplied by Labette County, Kansas and the State of Kansas. Other revenues are assumed to be approximately the same as historical receipts for the year 2011.

*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.

Debt service expenditures are based on the scheduled payments in the debt agreements or ordinances for debt that existed as of August 2, 2012.

**CITY OF CHETOPA, KANSAS**

**NOTES TO PRESCRIBED FORMS  
December 31, 2013, 2012 (Forecast) and 2011 (Historical)**

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

**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.

*DEPARTURE FROM ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA* – 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 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 accounting principles generally accepted in the United States of America.