

CITY OF STOCKTON

Stockton, Kansas

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2011

**CITY OF STOCKTON**

CITY COUNCIL

December 31, 2011

Kim Thomas, Mayor

City Commissioners

Reesa Brown  
Wayne Madison

Don McLaughlin  
Sandi Rogers

Administration

Keith Schlaegel  
Doug Conn  
Rebecca Lowry  
Edward C. Hageman  
Kay Ross

City Manager  
City Clerk  
City Treasurer  
City Attorney  
Municipal Judge

**CITY OF STOCKTON**  
**Stockton, Kansas**  
**December 31, 2011**

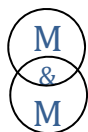
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**CITY OF STOCKTON**  
**Stockton, Kansas**  
**December 31, 2011**

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Commissioners  
City of Stockton  
Stockton, Kansas 67669

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of Stockton, Kansas as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City of Stockton, Kansas' management. 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 and the *Kansas Municipal Audit Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statement does not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. The effect on the financial statements of the omission of the component units, although not reasonably determinable, is presumed to be material.

As described more fully in Note 1, the City of Stockton, Kansas has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the omission of the component units, as discussed above, and because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Stockton, Kansas as of December 31, 2011, or the respective changes in financial position, and changes in cash flows, where applicable, for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Primary Government of the City of Stockton, Kansas, as of December 31, 2011, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statement. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures, schedule of cash receipts and cash disbursements-agency funds, detailed schedule of cash receipts and expenditures for the General Fund, detailed schedules of expenditures for the Electric Utility Fund and Water Utility Fund (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the statutory 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 taken as a whole.

*Mapes & Miller*

Certified Public Accountants

December 18, 2012  
Stockton, Kansas

**CITY OF STOCKTON**  
**Stockton, Kansas**

Statement 1

**SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH**  
**For The Year Ended December 31, 2011**

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Fund	\$ 56,415	\$ -	\$ 778,163	\$ 816,698	\$ 17,880	\$ 72,439	\$ 90,319
Special Revenue Funds:							
Special City Highway Fund	17,930	-	35,098	39,704	13,324	-	13,324
Industrial Fund	4,834	-	1,349	395	5,788	-	5,788
Library Fund	1	-	57,624	56,924	701	-	701
Employee Benefit Fund	7,007	-	506,102	492,582	20,527	16,265	36,792
Transient Guest Tax Fund	7,076	-	7,319	1,701	12,694	1,501	14,195
Equipment Reserve Fund	39,179	-	-	-	39,179	-	39,179
Sewer Utility Depreciation Fund	-	-	30,000	-	30,000	-	30,000
Electric Utility Depreciation Fund	-	-	500,000	68,885	431,115	-	431,115
Special Highway Improvement Fund	14,571	-	-	-	14,571	-	14,571
Oil Revenue Trust Fund	99,501	-	48,779	46,102	102,178	11,735	113,913
Special Law Enforcement Trust Fund	3,234	-	14	525	2,723	-	2,723
Senior Citizen Center Fund	89,152	-	286	917	88,521	203	88,724
Street Tree Fund	525	-	1,200	-	1,725	-	1,725
Schafar Estate Trust Fund	126,805	-	11,270	3,600	134,475	-	134,475
Pet Cemetery Upkeep Fund	100	-	-	-	100	-	100
Pearl McMillen Trust Fund	23,098	-	74	-	23,172	-	23,172
Energy Grant Fund	-	-	53,460	122,517	(69,057) *	33,637	(35,420)
Home Rehabilitation Grant Fund	407	-	38,990	63,837	(24,440) *	27,062	2,622
Debt Service Fund:							
Bond and Interest Fund	2,362	-	20,097	20,921	1,538	-	1,538
Capital Projects Fund:							
USDA Water Improvement Fund	(205,109) *	77,630	116,309	436,735	(447,905) *	422,915	(24,990)
Sewer Lagoon Project Fund	-	-	191,666	749,750	(558,084) *	574,434	16,350
Permanent Funds:							
Keller Estate Memorial Fund	5,000	-	-	-	5,000	-	5,000
Carl Brown Fund	2,000	-	-	-	2,000	-	2,000
D.A. Hindman Trust Fund	1,000	-	-	-	1,000	-	1,000
Proprietary Type Funds:							
Enterprise Funds:							
Electric Utility Fund	959,235	-	2,042,382	2,483,827	517,790	105,446	623,236
Water Utility Fund	584,838	-	533,964	492,316	626,486	28,810	655,296
Sewer Maintenance Utility Fund	94,576	-	205,663	160,024	140,215	6,113	146,328
Solomon Valley Manor Fund	177,236	3,534	2,030,468	1,863,341	347,897	39,003	386,900
Solid Waste Utility Fund	124,140	-	216,592	216,694	124,038	11,444	135,482
Stormwater Management Utility Fund	18,382	-	13,980	14,673	17,689	-	17,689
Utility Deposits Fund	-	-	7,650	7,500	150	14,058	14,208
<b>Total Primary Government (Excluding Agency Funds)</b>	<b>\$ 2,253,495</b>	<b>\$ 81,164</b>	<b>\$ 7,448,499</b>	<b>\$ 8,160,168</b>	<b>\$ 1,622,990</b>	<b>\$ 1,365,065</b>	<b>\$ 2,988,055</b>

\* See Note 7, (Cash Basis Exceptions)

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

**CITY OF STOCKTON**  
**Stockton, Kansas**

Statement 1

**SUMMARY OF CASH RECEIPTS, CASH DISBURSEMENTS AND UNENCUMBERED CASH**  
**For The Year Ended December 31, 2011**

COMPOSITION OF CASH AND INVESTMENTS

Cash on Hand	\$	100
Stockton National Bank		
Stockton, Kansas		
Petty Cash Checking Account - City		1,500
Petty Cash Checking Account- Manor		236
Checking Account - Operating Account		272,610
Checking Account - Special Law Enforcement		165
Checking Account - Manor		351,829
Checking Account - Stockton 125 ACH Account		9,569
Checking Account - Federal Tax Deposit		29,970
Checking Account - Water Project Account		668,163
Savings Account - Bond & Interest Account - Manor		1,287
Savings Account - Equipment Account - Manor		21,244
Savings Account - Memorial Account - Manor		9,744
Savings Account - Activities Account - Manor		2,558
Certificates of Deposit		1,630,494
Farmers National Bank		
Stockton, Kansas		
DDA Account		9,590
Checking Account - Dare Account		4
Savings Account - Dare Account		2,555
Investments:		
Series H/HH Bonds		23,000
		<hr/>
Total Cash and Investments		3,034,618
Agency Funds per Schedule 3		<hr/> (46,563)
Total Primary Government (Excluding Agency Funds)	\$	<hr/> <hr/> 2,988,055

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



**CITY OF STOCKTON**  
**Stockton, Kansas**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2011**

**1. Summary of Significant Accounting Policies**

**Reporting Entity**

The City of Stockton, Kansas, was incorporated as a city of the third class in 1880. The City operates under the commission form of government with an elected five-member commission.

Accounting principles generally accepted in the United States of America require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading or incomplete. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and imposed its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing body.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board management has determined that the following are component units of the City of Stockton. Financial information for the following component units have not been reported in the City's financial statements. Accordingly, these financial statements present the activities of the primary government only and are not a complete presentation in accordance with generally accepted accounting principles. The following component unit has been subjected to an audit and is reported under separate cover and available at Stockton City Hall:

Stockton Housing Authority--The Stockton Housing Authority was organized for the purpose of operating a subsidized 30-unit apartment complex for the elderly. The Housing Authority is governed by a board which is appointed by the City Commission.

The following component unit has not been subjected to an audit:

Stockton Public Library--The Stockton Public Library provides Library services to the City of Stockton and the surrounding area. The City of Stockton levies taxes to assist in funding the Library and the City Commission appoints the seven-member Library Board.

Stockton Public Building Commission--The Stockton Public Building Commission was organized for the purpose of acquisition or construction of facilities for the benefit of the City. The Public Building Commission is governed by a board which is appointed by the City Council.

**Basis of Presentation - Fund Accounting**

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

**Governmental Type Funds**

These are funds through which most governmental functions typically are financed. The funds included in this category are as follows:

**1. Summary of Significant Accounting Policies (Cont.)**

General Fund --This fund is established to account for resources devoted to financing the general services the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. This fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Funds--These funds are established to account for the proceeds of specific revenue sources other than special assessments, private purpose trust or major capital projects that are legally restricted to expenditures for specified purposes.

Debt Service Funds --These funds are established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds and Special Assessment Funds.

Capital Project Funds--These funds account for financial resources to be used for the acquisition or construction of major capital facilities, which are not financed by Proprietary and Permanent Funds.

Permanent Funds--These funds are used to account for financial resources that are legally restricted to the extent that only earnings not principal may be used.

**Proprietary Type Funds**

These funds account for operations that are self-supporting through user charges. The funds included in this category are Enterprise Funds.

Enterprise Funds--These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Fiduciary Type Funds**

These funds account for assets held by the City as a trustee or agent for individuals, private organizations, other units of governments. These funds are as follows:

Agency Funds--These funds are used to account for assets received for, held for, and disbursed to individuals, other State and Local Government unit funds or other governmental or private sector organizations.

**Statutory Basis of Accounting**

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

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 statutory basis of accounting.

**1. Summary of Significant Accounting Policies (Cont.)****Departure from Accounting Principles Generally Accepted in the United States of America**

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

**Reimbursements**

Reimbursements are defined as repayments of amounts remitted on behalf of another party. All reimbursements shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

**2. Risk Management**

The City of Stockton is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The City continues to carry commercial insurance coverage to cover these risks. The City has had no significant reduction in insurance coverage from prior years. Settled claims resulting from these risks have not exceeded commercial insurance coverage for each of the past three years.

The City has been unable to obtain property insurance on its electric distribution system at a cost to be economically justifiable. The financial impact to the City, if major storm damage occurred to this system, although not reasonably determinable, is presumed to be material.

**3. Property Taxes**

Property taxes are levied November 1st of the calendar year. A lien is placed on the property when the taxes are levied. The taxes are due 1/2 on December 20th and 1/2 the following May 10th. Any taxes unpaid at the due dates are considered delinquent. Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year: such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operation of the City and therefore are not susceptible to accrual.

It is not practical to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statements taken as a whole.

**4. Interfund Transfers**

A summary of interfund transfers are as follows:

From	To	Statutory Authority	Amount
Electric Utility Fund	General Fund	K.S.A. 12-825d	\$ 150,000
Electric Utility Fund	Employee Benefit Fund	K.S.A. 12-825d	230,000
Electric Utility Fund	Electric Utility Depreciation Fund	K.S.A. 12-825d	500,000
Water Utility Fund	General Fund	K.S.A. 12-825d	32,000
Water Utility Fund	Employee Benefit Fund	K.S.A. 12-825d	4,000
Water Utility Fund	Bond and Interest Fund	K.S.A. 12-825d	2,000
Solid Waste Fund	General Fund	K.S.A. 12-825d	34,000
Solid Waste Fund	Employee Benefit Fund	K.S.A. 12-825d	29,000
Sewer Maintenance Utility Fund	General Fund	K.S.A. 12-825d	3,000
Sewer Maintenance Utility Fund	Employee Benefit Fund	K.S.A. 12-825d	12,000
Sewer Maintenance Utility Fund	Sewer Utility Depreciation Fund	K.S.A. 12-825d	30,000
Total			<u>\$ 1,026,000</u>

**5. Budgetary Information**

Kansas Statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), Debt Service Funds and Enterprise Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of 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 ten days after publication the hearing may be held and the governing body may amend the budget at that time. The following funds of the City were amended on December 27, 2011: General Fund, Industrial Fund, Electric Utility Fund, Water Utility Fund, Sewer Maintenance Utility Fund, Solid Waste Utility Fund and Stormwater Management Utility Fund.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

**5. Budgetary Information – (Cont.)**

A legal operating budget is not required for Capital Project Funds, Fiduciary Funds, Permanent Funds and the following Special Revenue Funds:

Equipment Reserve Fund  
Sewer Utility Depreciation Fund  
Electric Utility Depreciation Fund  
Special Highway Improvement Fund  
Oil Revenue Trust Fund  
Special Law Enforcement Trust Fund  
Senior Citizen Center Fund  
Street Tree Fund  
Schafer Estate Trust Fund  
Pet Cemetery Upkeep Fund  
Pearl McMillen Trust Fund  
Energy Grant Fund  
Home Rehabilitation Grant Fund

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

**6. Deposits and Investments**

As of December 31, 2011, the City had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Dates</u>	<u>Rating</u>
Series H/HH Bonds	<u>\$23,000</u>	2011-2023	N/A

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 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%. As of December 31, 2011 the City was undersecured at the Stockton National Bank by \$593,812. An additional security in the amount of \$605,000 was pledged on January 5, 2012.

**6. Deposits and Investments –(Cont.)**

At December 31, 2011, the City's carrying amount of deposits was \$3,011,519 and the bank balance was \$3,006,526. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$303,262 was covered by federal depository insurance and \$2,109,452 was collateralized with securities held by the pledging financial institution's agents in the City's name.

*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.

**7. Stewardship, Compliance and Accountability****Compliance With Kansas Statutes**

- A. K.S.A. 10-1113 states that expenditures are to be made in compliance with the cash basis law which requires that no indebtedness be created for a fund in excess of available monies in that fund. The funds with a negative cash balance are as follows:

Energy Grant Fund  
Home Rehabilitation Grant Fund  
USDA Water Improvement Fund  
Sewer Lagoon Project Fund

The funds mentioned above are federal grants where the expenditures are incurred by the City and then reimbursed by the grants. The USDA Water Improvement Fund and the Sewer Lagoon Project Fund is to be reimbursed with federal aid. K.S.A. 12-1664 allows the City to temporarily finance the federal grants and federal aid from current funds until the federal grants or aid is received.

- B. The City was not in compliance with K.S.A. 9-1402 which requires deposits with authorized financial institutions to be adequately secured. On December 31, 2011 the amount of deposits was \$2,994,375 at the Stockton National Bank which was secured by \$291,111 of FDIC coverage and \$2,109,452 was collateralized with securities. This results in the deposits being under secured by \$593,812. An additional security in the amount of \$605,000 was pledged on January 5, 2012.

**8. Going Concern - Solomon Valley Manor Fund**

Solomon Valley Manor of the City of Stockton, Kansas, receives a 1/2% sales tax levy. If in the event the City of Stockton, Kansas, was unable or unwilling to continue the sales tax levy, continued operations of Solomon Valley Manor could be in jeopardy.

**9. Contingent Liability**

Solomon Valley Manor Fund participates in the Kansas Medicaid Reimbursement Program and the Medicare Reimbursement Program. These programs are subject to audit and retroactive adjustments. Differences between the estimated amounts accrued and final settlements, if any, have not been determined at the time.

**10. Various Agreements**

The City has entered into various agreements as follows:

a. Water or Waste System Grant Agreement

On February 16, 2010 the City entered into an agreement with the United States Department of Agriculture to be used for a water distribution improvement project. The loan is in the amount of \$4,046,000 along with a grant in the amount of \$821,700 with the City providing a match of \$50,000. The City has received the loan amount of \$4,046,000 and \$271,771 of the grant as of December 31, 2011.

b. Home Rehabilitation Grant

On March 1, 2008 the City entered into a grant agreement with the Kansas Housing Resources Corporation to be used for housing rehabilitation. The grant is in the amount of \$105,000 with the City providing \$4,250 towards the project. The City has received \$78,272 of the grant as of December 31, 2011. The completion date was set for March 1, 2011, but an extension was granted through December 31, 2011.

c. Energy Grant

On September 30, 2010 the City entered into a grant agreement with the Kansas Corporation Commission to be used to install energy efficiency improvements. The grant is in the amount of \$150,000. The City has received \$53,459 of the grant as of December 31, 2011.

d. Sewer Lagoon Project

On May 9, 2011 the City entered into a loan agreement with the Kansas Department of Health and Environment not to exceed \$4,622,300 with principle forgiveness not to exceed \$1,848,920. The loan is to be used for construction of a wastewater treatment lagoon. The City has received loan proceeds of \$191,666 as of December 31, 2011.

**11. Capital Projects**

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

	Project Authorization	Cash Disbursements and Accounts Payable To Date
	-----	-----
USDA Water Improvement Project	\$ 5,849,894	\$ 4,920,493
Sewer Lagoon Project	4,622,300	240,716

**12. Pension Costs and Employee Benefits****Defined Benefit Pension Plan**

**Plan Description** - The City contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

**12. Pension Costs and Employee Benefits (Cont.)****Defined Benefit Pension Plan (Cont.)**

**Funding Policy** - K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established for calendar year 2011 was 7.74% (Included in this rate is the contribution for Group Death and Disability Insurance of 1.0%). The City employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009 were \$112,917, \$103,006 and \$98,197, respectively, equal to the required contributions for each year as set forth by the legislature.

**Other Employee Benefits****Vacation Leave**

The City's policy with regard to vacation leave which provides for all full-time permanent employees to accumulate vacation leave is as follows:

<u>Years of Continuous Employment</u>	<u>0-5</u>	<u>5-10</u>	<u>10-15</u>	<u>Over 15</u>
Maximum hours accumulation	120	140	160	200
Equivalent work days	15	17 ½	20	25

Upon termination or resignation from service with the City, the employee shall be compensated for all accumulated unused vacation leave and unpaid overtime pay. The cost of accumulated unused vacation leave and unpaid overtime pay amounts to \$83,402 as of December 31, 2011.

**Sick Leave**

Employees on permanent status earn sick leave at the rate of one working day per month for full-time employees and one-half working day for part-time employees working at least 20 hours per week. No employee may accrue more than 960 hours of sick leave. After 10 years of service employees shall be paid 25% of accumulated sick leave upon termination or retirement. The cost of accumulated sick leave amounts to \$30,717 as of December 31, 2011.

**Other Post Employment Benefits**

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government 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.

If a retiree retires within two years of obtaining 85 points under the Kansas Public Employees Retirement System the City pays 50% of a single premium for each retiree and each retiree is responsible for the balance. This benefit continues until the retiree is Medicare eligible or finds employment elsewhere offering a health benefit. During the year ended December 31, 2011, approximately 9 retirees participated in this plan and the City paid \$22,089 in premiums for these retirees. Any remaining subsidy to retirees due to the plan's level premium structure 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. There is no cost to the City under this program.



**13. Subsequent Events**

Management has evaluated the effects of the financial statements of subsequent events occurring through December 18, 2012 which is the date of which the financial statements were available to be issued.

**14. LONG-TERM DEBT**

Changes in long-term debt for the City for the year ended December 31, 2011, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Series 2001	4.15% to 4.60%	08/01/01	150,000	2011	\$ 20,000	\$ -	\$ 20,000		\$ -	\$ 920
Series 2010	4.00%	03/01/10	4,046,000	2050	4,046,000	-	43,000		4,003,000	161,840
Total General Obligation Bonds					4,066,000	-	63,000		4,003,000	162,760
Certificates of Participation:										
Series 2003	2.20% to 4.25%	04/01/03	220,000	2012	80,000	-	80,000		-	5,027
KDHE Loans:										
KS Dept. of Health & Environment	3.01%	05/09/11	4,622,300	2033	-	191,666	-		191,666	-
Capital Leases:										
Fire Truck	4.79%	11/14/03	137,016	2013	48,019	-	15,264		32,755	2,300
Sewer Pumps & Equipment	5.50%	10/15/06	45,000	2013	21,942	-	6,952		14,990	1,181
Power Plant Improvements	5.50%	10/31/06	212,000	2013	96,498	-	30,583		65,915	5,185
Loader & Grapple	4.85%	06/21/07	105,000	2012	43,939	-	21,544		22,395	2,160
2008 Sterling Trash Truck	4.85%	01/09/09	76,100	2013	58,324	-	18,579		39,745	2,867
2009 Ford Police Pickup	5.95%	04/20/09	16,000	2012	8,275	-	5,495		2,780	369
2010 Ford Police Pickup	5.75%	07/13/10	23,865	2013	19,937	-	8,395		11,542	226
Fire Gear	4.00%	12/21/10	26,329	2015	26,329	-	4,879		21,450	1,073
Motor Grader	4.50%	01/20/11	37,910	2014	-	37,910	-		37,910	-
Bucket Truck	4.00%	06/07/11	73,615	2016	-	73,615	-		73,615	-
Total Capital Leases					323,263	111,525	111,691		323,097	15,361
Total Contractual Indebtedness					4,469,263	303,191	254,691		4,517,763	183,148
Compensated Absences					113,513			\$ 606	114,119	
Total Long-Term Debt					\$ 4,582,776	\$ 303,191	\$ 254,691	\$ 606	\$ 4,631,882	\$ 183,148

**14. LONG-TERM DEBT (Cont.)**

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017-2021</u>	<u>2022-2026</u>	<u>2027-2031</u>
<b>PRINCIPAL:</b>								
General Obligation Bonds	\$ 44,000	\$ 46,000	\$ 48,000	\$ 50,000	\$ 51,000	\$ 291,000	\$ 355,000	\$ 432,000
KDHE Loans	-	89,906	101,760	-	-	-	-	-
Capital Leases	139,011	113,971	33,400	20,825	15,890	-	-	-
<b>Total Principal</b>	<b>183,011</b>	<b>249,877</b>	<b>183,160</b>	<b>70,825</b>	<b>66,890</b>	<b>291,000</b>	<b>355,000</b>	<b>432,000</b>
<b>INTEREST:</b>								
General Obligation Bonds	160,120	158,360	156,520	154,600	152,600	730,400	667,320	590,360
KDHE Loans	-	2,885	1,741	-	-	-	-	-
Capital Leases	15,213	8,488	2,959	1,468	637	-	-	-
<b>Total Interest</b>	<b>175,333</b>	<b>169,733</b>	<b>161,220</b>	<b>156,068</b>	<b>153,237</b>	<b>730,400</b>	<b>667,320</b>	<b>590,360</b>
<b>Total Principal &amp; Interest</b>	<b>\$ 358,344</b>	<b>\$ 419,610</b>	<b>\$ 344,380</b>	<b>\$ 226,893</b>	<b>\$ 220,127</b>	<b>\$ 1,021,400</b>	<b>\$ 1,022,320</b>	<b>\$ 1,022,360</b>
	<u>2032-2036</u>	<u>2037-2041</u>	<u>2042-2046</u>	<u>2047-2050</u>	<u>Total</u>			
<b>PRINCIPAL:</b>								
General Obligation Bonds	\$ 525,000	\$ 640,000	\$ 778,000	\$ 743,000	\$ 4,003,000			
KDHE Loans	-	-	-	-	191,666			
Capital Leases	-	-	-	-	323,097			
<b>Total Principal</b>	<b>525,000</b>	<b>640,000</b>	<b>778,000</b>	<b>743,000</b>	<b>4,517,763</b>			
<b>INTEREST:</b>								
General Obligation Bonds	496,800	383,000	244,400	75,760	3,970,240			
KDHE Loans	-	-	-	-	4,626			
Capital Leases	-	-	-	-	28,765			
<b>Total Interest</b>	<b>496,800</b>	<b>383,000</b>	<b>244,400</b>	<b>75,760</b>	<b>4,003,631</b>			
<b>Total Principal &amp; Interest</b>	<b>\$ 1,021,800</b>	<b>\$ 1,023,000</b>	<b>\$ 1,022,400</b>	<b>\$ 818,760</b>	<b>\$ 8,521,394</b>			

**SUPPLEMENTARY INFORMATION**

**CITY OF STOCKTON**  
**Stockton, Kansas**

Schedule 1

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**(Budgeted Funds Only)**  
**For the Year Ended December 31, 2011**

FUNDS	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance- Over (Under)
Governmental Type Funds:						
General Fund	\$ 831,630	\$ -	\$ -	\$ 831,630	\$ 816,698	\$ (14,932)
Special Revenue Funds:						
Special City Highway Fund	39,704	-	-	39,704	39,704	-
Industrial Fund	395	-	-	395	395	-
Library Fund	62,000	-	-	62,000	56,924	(5,076)
Employee Benefit Fund	498,475	-	-	498,475	492,582	(5,893)
Transient Guest Tax Fund	3,000	-	-	3,000	1,701	(1,299)
Debt Service Fund:						
Bond & Interest Fund	22,045	-	-	22,045	20,921	(1,124)
Proprietary Type Funds:						
Enterprise Funds:						
Electric Utility Fund	2,508,050	-	-	2,508,050	2,483,827	(24,223)
Water Utility Fund	562,490	-	-	562,490	492,316	(70,174)
Sewer Maintenance Utility Fund	162,300	-	-	162,300	160,024	(2,276)
Solomon Valley Manor Fund	1,919,500	-	-	1,919,500	1,863,341	(56,159)
Solid Waste Utility Fund	229,000	-	-	229,000	216,694	(12,306)
Stormwater Management Utility Fund	28,700	-	-	28,700	14,673	(14,027)
Utility Deposits Fund	7,500	-	-	7,500	7,500	-

See accompanying Independent Auditor's Report.

**CITY OF STOCKTON**  
**Stockton, Kansas**

Schedule 2

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**GENERAL FUND**

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue	\$ 364,261	\$ 382,647	\$ (18,386)
Licenses and Permits	7,490	7,000	490
Charges for Services	119,380	98,700	20,680
Fines, Forfeitures and Penalties	20,747	22,000	(1,253)
Other	266,285	295,100	(28,815)
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	778,163	<u>\$ 805,447</u>	<u>\$ (27,284)</u>
<b>EXPENDITURES</b>			
General Administration	137,601	\$ 131,750	\$ 5,851
Police	240,997	252,600	(11,603)
Streets	183,043	169,400	13,643
Cemetary	26,523	28,680	(2,157)
Airport	3,234	3,800	(566)
Fire Department	80,228	86,600	(6,372)
Ambulance Service	76,965	82,500	(5,535)
Parks	3,353	9,300	(5,947)
Swimming Pool	41,991	42,500	(509)
Community Development	9,183	10,000	(817)
Scout House	141	-	141
Global Information System	13,439	14,500	(1,061)
	<hr/>	<hr/>	<hr/>
Total Expenditures	816,698	<u>\$ 831,630</u>	<u>\$ (14,932)</u>
Cash Receipts Over (Under) Expenditures	(38,535)		
UNENCUMBERED CASH, BEGINNING	<hr/>		
	56,415		
UNENCUMBERED CASH, ENDING	<u>\$ 17,880</u>		

See accompanying Independent Auditor's Report.

**CITY OF STOCKTON**  
**Stockton, Kansas**

Schedule 2

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**SPECIAL CITY HIGHWAY FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue:			
State Highway Aid	\$ 35,098	\$ 38,590	\$ (3,492)
<b>EXPENDITURES</b>			
Commodities	16,000	\$ 16,000	\$ -
Capital Outlay	<u>23,704</u>	<u>23,704</u>	<u>-</u>
Total Expenditures	<u>39,704</u>	<u>\$ 39,704</u>	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	(4,606)		
UNENCUMBERED CASH, BEGINNING	<u>17,930</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 13,324</u>		

See accompanying Independent Auditor's Report.

**CITY OF STOCKTON**  
**Stockton, Kansas**

Schedule 2

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**INDUSTRIAL FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Rent Receipts	\$ 1,349	\$ 1,200	\$ 149
EXPENDITURES			
Special Projects and Production:			
Property Taxes	395	<u>\$ 395</u>	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	954		
UNENCUMBERED CASH, BEGINNING	<u>4,834</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 5,788</u>		

See accompanying Independent Auditor's Report.



**CITY OF STOCKTON**  
**Stockton, Kansas**

Schedule 2

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**LIBRARY FUND**

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 47,570	\$ 52,585	\$ (5,015)
Delinquent Tax	1,155	-	1,155
Motor Vehicle Tax	8,353	8,972	(619)
Recreational Vehicle Tax	207	174	33
16/20M Vehicle Tax	339	268	71
Total Cash Receipts	57,624	\$ 61,999	\$ (4,375)
<b>EXPENDITURES</b>			
Appropriation	56,924	\$ 62,000	\$ (5,076)
Cash Receipts Over (Under) Expenditures	700		
UNENCUMBERED CASH, BEGINNING	1		
UNENCUMBERED CASH, ENDING	\$ 701		

See accompanying Independent Auditor's Report.

**CITY OF STOCKTON**  
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Schedule 2

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**EMPLOYEE BENEFIT FUND**

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 42,581	\$ 47,070	\$ (4,489)
Delinquent Tax	1,000	-	1,000
Motor Vehicle Tax	7,541	8,293	(752)
Recreational Vehicle Tax	187	161	26
16/20M Vehicle Tax	279	248	31
Employee Contributions	148,434	160,000	(11,566)
Health Insurance Contributions	31,080	-	31,080
Other Miscellaneous	-	500	(500)
Operating Transfers:			
Electric Utility Fund	230,000	230,000	-
Water Utility Fund	4,000	4,000	-
Sewer Utility Fund	12,000	12,000	-
Solid Waste Utility Fund	29,000	29,000	-
	<u>506,102</u>	<u>\$ 491,272</u>	<u>\$ 14,830</u>
<b>EXPENDITURES</b>			
Social Security/Medicare	98,847	\$ 120,000	\$ (21,153)
KPERS	80,258	77,000	3,258
Other Expenditures	1,617	2,000	(383)
Unemployment Insurance	4,288	800	3,488
Health Insurance Benefit	290,666	244,000	46,666
Other Insurance Benefits	685	35,000	(34,315)
Neighborhood Revitization Rebate	-	2,675	(2,675)
Cafeteria Plan Disbursements	16,221	17,000	(779)
	<u>492,582</u>	<u>\$ 498,475</u>	<u>\$ (5,893)</u>
Cash Receipts Over (Under) Expenditures	13,520		
UNENCUMBERED CASH, BEGINNING	<u>7,007</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 20,527</u>		

See accompanying Independent Auditor's Report.

**CITY OF STOCKTON**  
**Stockton, Kansas**

Schedule 2

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**TRANSIENT GUEST TAX FUND**

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Transient Guest Tax	\$ 7,319	\$ 3,900	\$ 3,419
EXPENDITURES	<u>1,701</u>	<u>\$ 3,000</u>	<u>\$ (1,299)</u>
Cash Receipts Over (Under) Expenditures	5,618		
UNENCUMBERED CASH, BEGINNING	<u>7,076</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 12,694</u>		

See accompanying Independent Auditor's Report.

**CITY OF STOCKTON**  
**Stockton, Kansas**

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**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**EQUIPMENT RESERVE FUND**

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS	\$ -	N/A K.S.A. 12-1, 117	
EXPENDITURES	-		
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, BEGINNING	39,179		
UNENCUMBERED CASH, ENDING	\$ 39,179		

See accompanying Independent Auditor's Report.

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**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**SEWER UTILITY DEPRECIATION FUND**

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Transfer-Sewer Maintenance Utility Fund	\$ 30,000	N/A K.S.A. 12-825d	
EXPENDITURES	-		
Cash Receipts Over (Under) Expenditures	30,000		
UNENCUMBERED CASH, BEGINNING	-		
UNENCUMBERED CASH, ENDING	\$ 30,000		

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**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**ELECTRIC UTILITY DEPRECIATION FUND**

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Transfer-Electric Utility Fund	\$ 500,000	N/A K.S.A. 12-825d	
<b>EXPENDITURES</b>			
Capital Outlay	68,885		
Cash Receipts Over (Under) Expenditures	431,115		
UNENCUMBERED CASH, BEGINNING	-		
UNENCUMBERED CASH, ENDING	\$ 431,115		

See accompanying Independent Auditor's Report.

**CITY OF STOCKTON**  
**Stockton, Kansas**

Schedule 2

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**SPECIAL HIGHWAY IMPROVEMENT FUND**

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS	\$ -	N/A K.S.A. 68-590	
EXPENDITURES	-		
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, BEGINNING	14,571		
UNENCUMBERED CASH, ENDING	\$ 14,571		

**CITY OF STOCKTON**  
**Stockton, Kansas**

Schedule 2

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**OIL REVENUE TRUST FUND**

	<u>Actual</u>
<b>CASH RECEIPTS</b>	
Interest on Idle Funds	\$ 347
Oil Royalties	48,432
	<u>48,779</u>
<b>Total Cash Receipts</b>	<u>48,779</u>
<b>EXPENDITURES</b>	
Contractual Services	45
Commodities	11,604
Capital Outlay	34,453
	<u>46,102</u>
<b>Total Expenditures</b>	<u>46,102</u>
Cash Receipts Over (Under) Expenditures	2,677
UNENCUMBERED CASH, BEGINNING	<u>99,501</u>
UNENCUMBERED CASH, ENDING	<u>\$ 102,178</u>

**SPECIAL LAW ENFORCEMENT TRUST FUND**

<b>CASH RECEIPTS</b>	
Interest Income	\$ 14
<b>EXPENDITURES</b>	
Equipment	525
Cash Receipts Over (Under) Expenditures	(511)
UNENCUMBERED CASH, BEGINNING	<u>3,234</u>
UNENCUMBERED CASH, ENDING	<u>\$ 2,723</u>

See accompanying Independent Auditor's Report.



**CITY OF STOCKTON**  
**Stockton, Kansas**

Schedule 2

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**SENIOR CITIZEN CENTER FUND**

	<u>Actual</u>
CASH RECEIPTS	
Interest on Idle Funds	<u>\$          286</u>
EXPENDITURES	
Facility	<u>                  917</u>
Cash Receipts Over (Under) Expenditures	(631)
UNENCUMBERED CASH, BEGINNING	<u>                 89,152</u>
UNENCUMBERED CASH, ENDING	<u><u>                 88,521</u></u>

**STREET TREE FUND**

CASH RECEIPTS	
Donations	<u>\$          1,200</u>
EXPENDITURES	<u>                  -</u>
Cash Receipts Over (Under) Expenditures	1,200
UNENCUMBERED CASH, BEGINNING	<u>                  525</u>
UNENCUMBERED CASH, ENDING	<u><u>                 1,725</u></u>

See accompanying Independent Auditor's Report.

**CITY OF STOCKTON**  
**Stockton, Kansas**

Schedule 2

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**SCHAFFER ESTATE TRUST FUND**

	<u>Actual</u>
CASH RECEIPTS	
Interest on Idle Funds	\$ 424
Other	<u>10,846</u>
Total Cash Receipts	<u>11,270</u>
EXPENDITURES	
Commodities	<u>3,600</u>
Cash Receipts Over (Under) Expenditures	7,670
UNENCUMBERED CASH, BEGINNING	<u>126,805</u>
UNENCUMBERED CASH, ENDING	<u>\$ 134,475</u>

**PET CEMETERY UPKEEP FUND**

CASH RECEIPTS	<u>\$ -</u>
EXPENDITURES	<u>-</u>
Cash Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, BEGINNING	<u>100</u>
UNENCUMBERED CASH, ENDING	<u>\$ 100</u>

See accompanying Independent Auditor's Report.

**CITY OF STOCKTON**  
**Stockton, Kansas**

Schedule 2

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**PEARL MCMILLEN TRUST FUND**

	<u>Actual</u>
CASH RECEIPTS	
Interest on Idle Funds	\$ 74
EXPENDITURES	<u>-</u>
Cash Receipts Over (Under) Expenditures	74
UNENCUMBERED CASH, BEGINNING	<u>23,098</u>
UNENCUMBERED CASH, ENDING	<u>\$ 23,172</u>

**ENERGY GRANT FUND**

CASH RECEIPTS	
Public Projects Grant	\$ <u>53,460</u>
EXPENDITURES	
Energy Efficient Improvements	<u>122,517</u>
Cash Receipts Over (Under) Expenditures	(69,057)
UNENCUMBERED CASH, BEGINNING	<u>-</u>
UNENCUMBERED CASH, ENDING	<u>\$ (69,057) *</u>

\* See Note 7, (Cash Basis Exceptions)

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**HOME REHABILITATION GRANT FUND**

CASH RECEIPTS	
State of Kansas Grant Proceeds	<u>\$          38,990</u>
EXPENDITURES	
Home Rehabilitation Cost	<u>                  63,837</u>
Cash Receipts Over (Under) Expenditures	(24,847)
UNENCUMBERED CASH, BEGINNING	<u>                  407</u>
UNENCUMBERED CASH, ENDING	<u><u>\$          (24,440)</u></u> *

\* See Note 7, (Cash Basis Exceptions)

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**BOND AND INTEREST FUND**

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 14,563	\$ 16,097	\$ (1,534)
Delinquent Tax	389	-	389
Motor Vehicle Tax	2,953	3,178	(225)
Recreational Vehicle Tax	73	62	11
16/20M Vehicle Tax	119	95	24
Operating Transfer:			
Water Utility Fund	2,000	-	2,000
Total Cash Receipts	20,097	\$ 19,432	\$ 665
<b>EXPENDITURES</b>			
Bond Principal	20,000	\$ 20,000	\$ -
Bond Interest	920	920	-
Neighborhood Revitalization Rebate	-	1,025	(1,025)
Commissions and Postage	1	100	(99)
Total Expenditures	20,921	\$ 22,045	\$ (1,124)
Cash Receipts Over (Under) Expenditures	(824)		
UNENCUMBERED CASH, BEGINNING	2,362		
UNENCUMBERED CASH, ENDING	\$ 1,538		

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**USDA WATER IMPROVEMENT FUND**

	Actual
<b>CASH RECEIPTS</b>	
Grant	\$ 113,909
Interest on Idle Funds	2,400
Total Cash Receipts	116,309
<b>EXPENDITURES</b>	
Engineering Fees	37,270
Water System Improvements	399,465
Total Expenditures	436,735
Cash Receipts Over (Under) Expenditures	(320,426)
UNENCUMBERED CASH, BEGINNING	(205,109) *
Prior Year Cancelled Encumbrances	77,630
UNENCUMBERED CASH, ENDING	\$ (447,905) *

**SEWER LAGOON PROJECT FUND**

	Actual
<b>CASH RECEIPTS</b>	
KDHE Loan Proceeds	\$ 191,666
<b>EXPENDITURES</b>	
Engineering Fees	749,750
Cash Receipts Over (Under) Expenditures	(558,084)
UNENCUMBERED CASH, BEGINNING	-
UNENCUMBERED CASH, ENDING	\$ (558,084) *

\* See Note 7, (Cash Basis Exceptions)

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**KELLER ESTATE MEMORIAL FUND**

CASH RECEIPTS	<u>\$ -</u>
EXPENDITURES	<u>-</u>
Cash Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, BEGINNING	<u>5,000</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 5,000</u></u>

**CARL BROWN FUND**

CASH RECEIPTS	<u>\$ -</u>
EXPENDITURES	<u>-</u>
Cash Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, BEGINNING	<u>2,000</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 2,000</u></u>

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**D.A. HINDMAN TRUST FUND**

CASH RECEIPTS	<u>\$ -</u>
EXPENDITURES	<u>-</u>
Cash Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, BEGINNING	<u>1,000</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 1,000</u></u>

See accompanying Independent Auditor's Report.



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**ELECTRIC UTILITY FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
<b>CASH RECEIPTS</b>			
Charges for Services	\$ 1,969,526	\$ 1,832,875	\$ 136,651
Sales Tax Collected	61,354	40,000	21,354
Interest on Idle Funds	1,788	25	1,763
Sale of Surplus Property	533	-	533
Reimbursed Expenses	243	100	143
Miscellaneous	8,938	2,000	6,938
	<u>2,042,382</u>	<u>\$ 1,875,000</u>	<u>\$ 167,382</u>
<b>EXPENDITURES</b>			
Administration	130,257	\$ 127,000	\$ 3,257
Acquisition	1,029,001	1,015,000	14,001
Production	225,918	211,000	14,918
Distribution	155,872	159,000	(3,128)
Other	62,779	50,050	12,729
Operating Transfers	880,000	946,000	66,000
	<u>2,483,827</u>	<u>\$ 2,508,050</u>	<u>\$ (24,223)</u>
Cash Receipts Over (Under) Expenditures	(441,445)		
UNENCUMBERED CASH, BEGINNING	<u>959,235</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 517,790</u>		

See accompanying Independent Auditor's Report.

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**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
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**WATER UTILITY FUND**

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Charges for Services	\$ 338,146	\$ 290,000	\$ 48,146
Water Usage Tax	1,453	1,300	153
Special Assessment	80	80	-
Interest on Idle Funds	1,247	800	447
Miscellaneous	1,480	-	1,480
Sales Tax Receipts	177,938	154,000	23,938
Sale of Surplus Property	8,445	25	8,420
Rent Income	5,175	3,500	1,675
	<u>533,964</u>	<u>\$ 449,705</u>	<u>\$ 84,259</u>
<b>EXPENDITURES</b>			
Administration	7,487	\$ 9,250	\$ (1,763)
Production	61,087	78,200	(17,113)
Distribution	82,120	74,600	7,520
Treatment	97,617	110,500	(12,883)
Other	206,005	219,940	(13,935)
Operating Transfers	38,000	70,000	(32,000)
	<u>492,316</u>	<u>\$ 562,490</u>	<u>\$ (70,174)</u>
Cash Receipts Over (Under) Expenditures	41,648		
UNENCUMBERED CASH, BEGINNING	<u>584,838</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 626,486</u>		

See accompanying Independent Auditor's Report.

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**SEWER MAINTENANCE UTILITY FUND**

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Charges for Services	\$ 205,158	\$ 190,000	\$ 15,158
Special Assessments	463	300	163
Miscellaneous	42	100	(58)
Total Cash Receipts	205,663	\$ 190,400	\$ 15,263
<b>EXPENDITURES</b>			
Administration:			
Personal Services	1,077	\$ 1,000	\$ 77
Contractual Services	2,185	1,000	1,185
Commodities	149	500	(351)
Capital Outlay	-	1,000	(1,000)
Total Administration	3,411	3,500	(89)
Distribution and Treatment:			
Personal Services	25,910	25,800	110
Contractual Services	37,897	34,000	3,897
Commodities	28,597	29,000	(403)
Capital Outlay	19,209	25,000	(5,791)
Total Distribution and Treatment	111,613	113,800	(2,187)
Operating Transfers:			
General Fund	3,000	3,000	-
Sewer Utility Depreciation Fund	30,000	30,000	-
Employee Benefit Fund	12,000	12,000	-
Total Operating Transfers	45,000	45,000	-
Total Expenditures	160,024	\$ 162,300	\$ (2,276)
Cash Receipts Over (Under) Expenditures	45,639		
UNENCUMBERED CASH, BEGINNING	94,576		
UNENCUMBERED CASH, ENDING	\$ 140,215		

See accompanying Independent Auditor's Report.

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**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
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**SOLOMON VALLEY MANOR FUND**

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Charges for Services	\$ 1,889,679	\$ 1,854,000	\$ 35,679
Donations	2,351	500	1,851
Reimbursed Expense	945	500	445
Interest on Idle Funds	634	2,000	(1,366)
Public Projects Grant	31,937	-	31,937
Miscellaneous Income	15,953	1,000	14,953
Sales Tax Receipt	88,969	72,000	16,969
Total Cash Receipts	2,030,468	\$ 1,930,000	\$ 100,468
<b>EXPENDITURES</b>			
Personal Services	944,143	\$ 1,015,000	\$ (70,857)
Contractual Services	380,380	325,000	55,380
Commodities	182,488	225,000	(42,512)
Capital Outlay	65,059	45,000	20,059
Employee Benefits	205,392	277,000	(71,608)
Miscellaneous	852	500	352
Certificates of Participation Interest	5,027	-	5,027
Certificates of Participation Principal	80,000	32,000	48,000
Total Expenditures	1,863,341	\$ 1,919,500	\$ (56,159)
Cash Receipts Over (Under) Expenditures	167,127		
UNENCUMBERED CASH, BEGINNING	177,236		
Prior Year Cancelled Encumbrances	3,534		
UNENCUMBERED CASH, ENDING	\$ 347,897		

See accompanying Independent Auditor's Report.

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**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
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**SOLID WASTE UTILITY FUND**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
<b>CASH RECEIPTS</b>			
Charges for Services	\$ 215,095	\$ 200,000	\$ 15,095
Miscellaneous	1,497	500	997
	<u>216,592</u>	<u>\$ 200,500</u>	<u>\$ 16,092</u>
<b>EXPENDITURES</b>			
Personal Services	48,634	\$ 52,000	\$ (3,366)
Contractual Services	47,117	55,000	(7,883)
Commodities	36,496	31,000	5,496
Capital Outlay	21,447	28,000	(6,553)
Operating Transfer:			
General Fund	34,000	34,000	-
Employee Benefit Fund	29,000	29,000	-
	<u>216,694</u>	<u>\$ 229,000</u>	<u>\$ (12,306)</u>
Cash Receipts Over (Under) Expenditures	(102)		
UNENCUMBERED CASH, BEGINNING	<u>124,140</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 124,038</u>		

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**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
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**STORMWATER MANAGEMENT UTILITY FUND**

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Charges for Services	\$ 13,980	\$ 14,000	\$ (20)
<b>EXPENDITURES</b>			
Production			
Commodities	14,673	\$ 14,700	\$ (27)
Operating Transfer:			
General Fund	-	14,000	(14,000)
Total Expenditures	14,673	\$ 28,700	\$ (14,027)
Cash Receipts Over (Under) Expenditures	(693)		
UNENCUMBERED CASH, BEGINNING	18,382		
UNENCUMBERED CASH, ENDING	\$ 17,689		

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**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**UTILITY DEPOSITS FUND**

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Electric Deposits	\$ 5,200	\$ 5,000	\$ 200
Water Deposits	2,450	2,500	(50)
Total Cash Receipts	7,650	\$ 7,500	\$ 150
<b>EXPENDITURES</b>			
Refunds	7,500	\$ 7,500	\$ -
Cash Receipts Over (Under) Expenditures	150		
<b>UNENCUMBERED CASH, BEGINNING</b>	-		
<b>UNENCUMBERED CASH, ENDING</b>	\$ 150		

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**CITY OF STOCKTON**  
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Schedule 3

**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**For The Year Ended December 31, 2011**

**AGENCY FUNDS**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disburse- ments	Ending Cash Balance
Stockton 125 Cafeteria ACH Fund	\$ 6,821	\$ 20,771	\$ 18,023	\$ 9,569
Federal Income Tax Withholding Fund	3,351	53,983	53,804	3,530
State Income Tax Withholding Fund	1,918	24,555	24,726	1,747
Payroll Clearing Fund	1,696	769,759	740,343	31,112
Municipal Court Bonds	869	1,700	1,969	600
Judicial Branch Education Fund	12	50	57	5
	<u>12</u>	<u>50</u>	<u>57</u>	<u>5</u>
Total Agency Funds	<u>\$ 14,667</u>	<u>\$ 870,818</u>	<u>\$ 838,922</u>	<u>\$ 46,563</u>

See accompanying Independent Auditor's Report.



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Schedule 4

**DETAILED SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**GENERAL FUND**

	Actual	Budget	Variance- Over (Under)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue:			
Ad Valorem Property Tax	\$ 263,428	\$ 291,189	\$ (27,761)
Delinquent Tax	7,474	-	7,474
Motor Vehicle Tax	43,411	48,039	(4,628)
Recreational Vehicle Tax	1,079	931	148
16/20M Vehicle Tax	1,561	1,434	127
Franchise Fees	30,991	22,800	8,191
Local Alcoholic Liquor	5,317	6,254	(937)
County Ambulance Subsidy	11,000	12,000	(1,000)
	<u>364,261</u>	<u>382,647</u>	<u>(18,386)</u>
Licenses and Permits:			
Pet Licenses	575	500	75
Permits and Licenses	2,015	1,000	1,015
Oil License Renewal	4,500	5,000	(500)
Liquor Licenses	400	500	(100)
	<u>7,490</u>	<u>7,000</u>	<u>490</u>
Charges for Services:			
Ambulance Service	62,468	53,000	9,468
Rural Fire Contracts	43,050	30,000	13,050
Swimming Pool	9,879	10,000	(121)
Accident Reports	87	100	(13)
Cemetary Services	3,250	5,600	(2,350)
Other	646	-	646
	<u>119,380</u>	<u>98,700</u>	<u>20,680</u>
Fines, Forfeitures and Penalties			
Court Fines/Fees	20,747	22,000	(1,253)

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**DETAILED SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
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**GENERAL FUND**

	Actual	Budget	Variance- Over (Under)
Other:			
Interest in Idle Funds	\$ 2,114	\$ 2,000	\$ 114
Rent and Lease	5,133	2,500	2,633
Oil Royalties	10,378	7,000	3,378
Reimbursed Expense	973	-	973
Federal Aid	1,000	-	1,000
Sale of Materials and Property	10,870	100	10,770
Miscellaneous	12,453	250	12,203
Donations	381	250	131
Insurance Dividend	3,983	-	3,983
Operating Transfers:			
Electric Utility Fund	150,000	200,000	(50,000)
Water Utility Fund	32,000	32,000	-
Sewer Maintenance Utility Fund	3,000	3,000	-
Solid Waste Utility Fund	34,000	34,000	-
Stormwater Management Utility Fund	-	14,000	(14,000)
	266,285	295,100	(28,815)
<b>Total Other</b>	<b>266,285</b>	<b>295,100</b>	<b>(28,815)</b>
<b>Total Cash Receipts</b>	<b>\$ 778,163</b>	<b>\$ 805,447</b>	<b>\$ (27,284)</b>
<b>EXPENDITURES</b>			
General Administration:			
Personal Services	\$ 33,017	\$ 34,000	\$ (983)
Contractual Services	92,626	77,500	15,126
Commodities	11,958	10,000	1,958
Capital Outlay	-	10,250	(10,250)
	137,601	131,750	5,851
<b>Total General Administration</b>	<b>137,601</b>	<b>131,750</b>	<b>5,851</b>
Police:			
Personal Services	164,383	160,000	4,383
Contractual Services	21,516	28,000	(6,484)
Commodities	30,972	32,000	(1,028)
Capital Outlay	24,126	32,600	(8,474)
	240,997	252,600	(11,603)
<b>Total Police</b>	<b>240,997</b>	<b>252,600</b>	<b>(11,603)</b>
Streets:			
Personal Services	47,077	50,000	(2,923)
Contractual Services	14,703	25,500	(10,797)
Commodities	97,595	75,000	22,595
Capital Outlay	23,668	18,900	4,768
	183,043	169,400	13,643
<b>Total Streets</b>	<b>183,043</b>	<b>169,400</b>	<b>13,643</b>

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**DETAILED SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
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**GENERAL FUND**

	Actual	Budget	Variance- Over (Under)
<b>Cemetery:</b>			
Personal Services	\$ 23,346	\$ 24,480	\$ (1,134)
Contractual Services	2,517	2,700	(183)
Commodities	660	1,500	(840)
<b>Total Cemetery</b>	<b>26,523</b>	<b>28,680</b>	<b>(2,157)</b>
<b>Airport:</b>			
Contractual Services	3,234	3,800	(566)
<b>Fire Dpartment:</b>			
Personal Services	22,280	17,000	5,280
Contractual Services	9,892	10,000	(108)
Commodities	16,096	17,000	(904)
Capital Outlay	31,960	42,600	(10,640)
<b>Total Fire Department</b>	<b>80,228</b>	<b>86,600</b>	<b>(6,372)</b>
<b>Ambulance Service:</b>			
Personal Services	57,671	57,000	671
Contractual Services	7,972	13,500	(5,528)
Commodities	8,567	9,000	(433)
Capital Outlay	2,755	3,000	(245)
<b>Total Ambulance Service</b>	<b>76,965</b>	<b>82,500</b>	<b>(5,535)</b>
<b>Parks:</b>			
Contractual Services	1,562	1,100	462
Commodities	1,791	3,200	(1,409)
Capital Outlay	-	5,000	(5,000)
<b>Total Parks</b>	<b>3,353</b>	<b>9,300</b>	<b>(5,947)</b>
<b>Swimming Pool:</b>			
Personal Services	24,218	23,500	718
Contractual Services	5,183	4,500	683
Commodities	12,431	13,500	(1,069)
Capital Outlay	159	1,000	(841)
<b>Total Swimming Pool</b>	<b>41,991</b>	<b>42,500</b>	<b>(509)</b>

See accompanying Independent Auditor's Report.

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Schedule 4

**DETAILED SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**GENERAL FUND**

	Actual	Budget	Variance- Over (Under)
Community Development:			
Contractual Services	\$ 8,128	\$ 9,000	\$ (872)
Commodities	1,055	1,000	55
Total Community Development	9,183	10,000	(817)
Scout House:			
Contractual Services	141	-	141
Global Information System:			
Personal Services	13,333	14,000	(667)
Contractual Services	96	-	96
Commodities	10	500	(490)
Total Global Information System	13,439	14,500	(1,061)
Total Expenditures	\$ 816,698	\$ 831,630	\$ (14,932)

See accompanying Independent Auditor's Report.

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Schedule 5

**DETAILED SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**ELECTRIC UTILITY FUND**

	Actual	Budget	Variance- Over (Under)
<b>EXPENDITURES</b>			
General Administration:			
Personal Services	\$ 119,420	\$ 120,000	\$ (580)
Contractual Services	7,591	5,000	2,591
Commodities	3,246	1,500	1,746
Capital Outlay	-	500	(500)
	<u>130,257</u>	<u>127,000</u>	<u>3,257</u>
Total Administration			
Acquisition:			
Contractual Services	1,029,001	1,015,000	14,001
Production:			
Personal Services	102,711	105,000	(2,289)
Contractual Services	33,365	30,000	3,365
Commodities	37,836	30,000	7,836
Capital Outlay	52,006	46,000	6,006
	<u>225,918</u>	<u>211,000</u>	<u>14,918</u>
Total Production			
Distribution:			
Personal Services	67,264	68,000	(736)
Contractual Services	26,077	15,000	11,077
Commodities	17,108	25,000	(7,892)
Capital Outlay	45,423	51,000	(5,577)
	<u>155,872</u>	<u>159,000</u>	<u>(3,128)</u>
Total Distribution			
Other:			
Sales Tax	62,703	50,000	12,703
Utility Deposit Interest	76	50	26
	<u>62,779</u>	<u>50,050</u>	<u>12,729</u>
Total Other			
Operating Transfers:			
General Fund	150,000	200,000	(50,000)
Employee Benefit Fund	230,000	210,000	20,000
Electric Utility Depreciation Fund	500,000	500,000	-
Equipment Reserve	-	36,000	(36,000)
	<u>880,000</u>	<u>946,000</u>	<u>(66,000)</u>
Total Operating Transfers			
Total Expenditures	<u>\$ 2,483,827</u>	<u>\$ 2,508,050</u>	<u>\$ (24,223)</u>

See accompanying Independent Auditor's Report.

**CITY OF STOCKTON**  
**Stockton, Kansas**

Schedule 5

**DETAILED SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET**  
**For The Year Ended December 31, 2011**

**WATER UTILITY FUND**

	Actual	Budget	Variance- Over (Under)
<b>EXPENDITURES</b>			
<b>Administration:</b>			
Personal Services	\$ 5,342	\$ 6,000	\$ (658)
Contractual Services	1,989	2,500	(511)
Commodities	156	450	(294)
Capital Outlay	-	300	(300)
<b>Total Administration</b>	<b>7,487</b>	<b>9,250</b>	<b>(1,763)</b>
<b>Production:</b>			
Personal Services	35,498	38,000	(2,502)
Contractual Services	22,046	35,000	(12,954)
Commodities	3,543	5,000	(1,457)
Capital Outlay	-	200	(200)
<b>Total Production</b>	<b>61,087</b>	<b>78,200</b>	<b>(17,113)</b>
<b>Distribution:</b>			
Personal Services	26,894	27,100	(206)
Contractual Services	13,196	17,000	(3,804)
Commodities	42,030	30,000	12,030
Capital Outlay	-	500	(500)
<b>Total Distribution</b>	<b>82,120</b>	<b>74,600</b>	<b>7,520</b>
<b>Treatment:</b>			
Contractual Services	14,614	15,000	(386)
Commodities	83,003	95,000	(11,997)
Capital Outlay	-	500	(500)
<b>Total Treatment</b>	<b>97,617</b>	<b>110,500</b>	<b>(12,883)</b>
<b>Other:</b>			
Special Projects-Contractual Services	1,129	-	1,129
Special Projects-Capital Outlay	-	15,000	(15,000)
Utility Deposit Interest	36	100	(64)
General Obligation Bond Interest	161,840	161,840	-
General Obligation Bond Principal	43,000	43,000	-
<b>Total Other</b>	<b>206,005</b>	<b>219,940</b>	<b>(13,935)</b>
<b>Operating Transfers:</b>			
General Fund	32,000	32,000	-
Bond and Interest Fund	2,000	4,000	(2,000)
Sewer Utility Depreciation Fund	-	30,000	(30,000)
Employee Benefit Fund	4,000	4,000	-
<b>Total Operating Transfers</b>	<b>38,000</b>	<b>70,000</b>	<b>(32,000)</b>
<b>Total Expenditures</b>	<b>\$ 492,316</b>	<b>\$ 562,490</b>	<b>\$ (70,174)</b>

See accompanying Independent Auditor's Report.