

CITY OF ANTHONY, KANSAS
Financial Statements With Independent Auditors' Report
For the Year Ended December 31, 2011

CITY OF ANTHONY, KANSAS
 Financial Statements With Independent Auditors' Report
 For the Year Ended December 31, 2011

TABLE OF CONTENTS

Independent Auditors' Report.....	1
Statement 1 - Summary of Cash Receipts, Expenditures, and Unencumbered Cash.....	3
Statement 2 - Summary of Expenditures – Actual and Budget.....	5
Statement 3 - Statement of Cash Receipts and Expenditures – Actual and Budget Individually Presented by Fund	
Governmental Fund Categories	
General Fund	
3-1 General Fund.....	6
Special Revenue Funds	
3-2 Airport Fund.....	7
3-3 Employee Benefit Fund.....	8
3-4 Employee Insurance Benefit Fund.....	9
3-5 Library Fund.....	10
3-6 Library Employee Benefits Fund.....	11
3-7 Special Parks and Recreation Fund.....	12
3-8 Special Street and Highway Fund.....	13
3-9 Anthony Transportation Service Fund.....	14
3-10 Industrial Development Fund.....	15
3-11 Recreation Fund.....	16
3-12 Insurance Proceeds Fund.....	17
3-13 Municipal Equipment Reserve Fund.....	18
3-14 Downtown Revitalization Loan Fund.....	19
3-15 Sales Tax Revenue Bond Sales Tax Fund.....	20
3-16 Sales Tax Revenue Bond Reserve Fund.....	21
3-17 Capital Improvements Fund.....	22
3-18 2007 Home Rehab Grant Fund.....	23
3-19 CDBG Urgent Need Fund.....	24
Debt Service Funds	
3-20 Bond and Interest Fund.....	25
3-21 Sales Tax Revenue Bond Debt Service Fund.....	26
3-22 Series 2001 GO Bond Debt Service Fund.....	27
3-23 Series 2009 GO Bond Debt Service Fund.....	28
3-24 Series 2010 GO Bond Debt Service Fund.....	29
3-25 GO Temporary Note Series 2010 Fund.....	30
3-26 Electric Debt Service Fund.....	31
3-27 Electric Debt Service Reserve Fund.....	32
3-28 Water Debt Service Fund.....	33
3-29 WWTF Loan Fund.....	34
3-30 Series 2005 Electric Bond Debt Service Fund.....	35
3-31 Series 2005 Electric Bond Debt Service Reserve Fund.....	36
Capital Project Fund	
3-32 GO Temporary Note Series 2011 Fund.....	37

CITY OF ANTHONY, KANSAS
 Financial Statements With Independent Auditors' Report
 For the Year Ended December 31, 2011

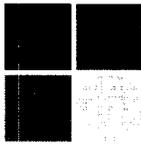
TABLE OF CONTENTS (continued)

Permanent Fund		
3-33	Wayne Dennis Fund.....	38
Proprietary Fund Category		
Enterprise Funds		
3-34	Electric Utility Fund	39
3-35	Sewage Utility Fund	40
3-36	Water Utility Fund.....	41
3-37	Electric System Depreciation and Replacement Fund	42
3-38	Electric System Reserve Fund.....	43
3-39	Electric System Equipment Replacement Fund	44
3-40	Sewer System Reserve Fund	45
3-41	Sewer Equipment Replacement Fund	46
3-42	Wastewater Lagoon Cleaning Fund.....	47
3-43	Water Reserve Fund.....	48
3-44	Water Equipment Replacement Fund.....	49
Fiduciary Fund Category		
Private Purpose Trust Fund		
3-45	Public Relief Fund	50
Component Unit Funds		
3-46	Public Library – General Fund	51
3-47	Public Library – Special Fund	52
3-48	Public Library – State Aid Fund	53
3-49	Public Library – SCKLS Fund	54
3-50	Public Library – Capital Improvements Fund.....	55
3-51	Public Library – Library Gift Fund	56
3-52	Public Library – Vanguard Fund	57
Statement 4 – Summary of Cash Receipts and Cash Disbursements		
	Agency Funds.....	58
Notes to Financial Statements		59
Supplementary Information		
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		74
Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133		76

CITY OF ANTHONY, KANSAS
Financial Statements With Independent Auditors' Report
For the Year Ended December 31, 2011

TABLE OF CONTENTS (continued)

Schedule of Findings and Questioned Costs	78
Summary Schedule of Prior Audit Findings	82
Schedule of Expenditures of Federal Awards	83
Notes to Schedule of Expenditures of Federal Awards	84



Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Commission
City of Anthony, Kansas
Anthony, Kansas

We have audited the accompanying financial statements of **City of Anthony, Kansas**, as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of **City of Anthony, Kansas'** management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As described more fully in Note 1, **City of Anthony, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, whose practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory 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 effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **City of Anthony, Kansas**, as of December 31, 2011, or the changes in its financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **City of Anthony, Kansas**, as of December 31, 2011, and their respective cash receipts and disbursements and budgetary results for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2012, on our consideration of **City of Anthony, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in

accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **City of Anthony, Kansas'** financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements 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 statements themselves, 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 statements as a whole.

Adams, Brown, Beran & Ball

ADAMS, BROWN, BERAN AND BALL, CHTD.
Certified Public Accountants

July 16, 2012

CITY OF ANTHONY, KANSAS
Summary of Cash Receipts, Expenditures, and Unencumbered Cash
 For the Year Ended December 31, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustments	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Categories								
General Fund	\$ 40,544	-	-	2,091,536	1,060,865	1,071,215	32,611	1,103,826
Special Revenue Funds								
Airport Fund	(94,053)	-	-	321,382	220,353	6,976	17,992	24,968
Employee Benefit Fund	86,696	-	-	224,900	289,860	21,736	750	22,486
Library Fund	(685)	-	-	54,081	52,162	1,234	-	1,234
Library Employee Benefits Fund	-	-	-	12,987	12,582	405	-	405
Special Parks and Recreation Fund	1,267	-	-	7,262	5,360	3,169	23	3,192
Special Street and Highway Fund	101,172	-	-	420,908	186,106	335,974	-	335,974
Anthony Transportation Service Fund	1,233	-	-	24,789	25,873	149	771	920
Industrial Development Fund	54,154	-	-	38,953	29,373	63,734	1,424	65,158
Recreation Fund	19,207	-	-	133,400	144,079	8,528	-	8,528
Municipal Equipment Reserve Fund	49,597	-	-	38,976	45,626	42,947	-	42,947
Downtown Revitalization Loan Fund	52,238	-	-	7,522	4,000	55,760	-	55,760
Sales Tax Revenue Bond Reserve Fund	155,623	-	-	644	156,267	-	-	-
Capital Improvements Fund	272,848	-	-	32,293	25,228	279,913	379	280,292
CDBG Urgent Need Fund	(226,640)	-	-	711,158	484,500	18	-	18
Debt Service Funds								
Bond and Interest Fund	3,699	-	-	79,120	74,142	8,677	-	8,677
Sales Tax Revenue Bond Debt Service Fund	235,608	-	-	189,681	425,289	-	-	-
Series 2001 GO Bond Debt Service Fund	247,760	-	-	25,896	273,656	-	-	-
Series 2010 GO Bond Debt Service Fund	22,450	-	-	22,868	26,006	20,312	-	20,312
GO Temporary Note Series 2010 Fund	20,139	-	-	-	3,393	16,746	-	16,746
Electric Debt Service Fund	38,149	-	-	285,900	285,240	38,809	-	38,809
Electric Debt Service Reserve Fund	280,500	-	-	-	-	280,500	-	280,500
Water Debt Service Fund	82,687	-	-	59,910	108,465	34,132	-	34,132
WMTF Loan Fund	69,346	-	-	128,807	156,285	41,868	-	41,868
Series 2005 Electric Bond Debt Service Fund	5,344	-	-	30,130	29,363	6,111	-	6,111
Series 2005 Electric Bond Debt Service Reserve Fund	30,000	-	-	-	-	30,000	-	30,000
Capital Project Funds								
GO Temporary Note Series 2011 Fund	-	-	-	172,000	172,000	-	11,154	11,154
Permanent Fund	763,664	-	-	7,001	4,425	766,240	-	766,240
Wayne Dennis Fund	-	-	-	-	-	-	-	-
Proprietary Fund Category								
Enterprise Funds								
Electric Utility Fund	444	-	-	4,183,500	3,980,791	203,153	497,159	700,312
Sewage Utility Fund	6,305	-	-	341,889	306,011	42,183	5,065	47,248
Water Utility Fund	9,135	-	-	819,645	607,506	221,274	18,963	240,237
Electric System Depreciation and Replacement Fund	250,000	-	-	-	-	250,000	-	250,000

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

CITY OF ANTHONY, KANSAS
Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended December 31, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustments	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Electric System Reserve Fund	\$ 637,000	-	-	163,000	-	800,000	-	800,000
Electric System Equipment Replacement Fund	1,264	-	-	6,000	-	7,264	-	7,264
Sewer System Reserve Fund	50,000	-	-	-	-	50,000	-	50,000
Sewer Equipment Replacement Fund	719	-	-	4,800	18	5,501	-	5,501
Wastewater Lagoon Cleaning Fund	61,800	-	-	2,800	-	64,600	-	64,600
Water Reserve Fund	300,000	-	-	-	-	300,000	-	300,000
Water Equipment Replacement Fund	32,661	-	-	8,700	-	41,361	-	41,361
Fiduciary Fund Category								
Private Purpose Trust Fund	25,988	-	-	1,784	-	27,752	-	27,752
Public Relief Fund								
Total Primary Government	3,687,843	-	-	10,654,222	9,193,824	5,148,241	586,291	5,734,532
Component Unit Funds								
Public Library - General Fund	25,499	-	-	66,747	64,869	27,377	1,370	28,747
Public Library - Special Fund	2,630	-	-	7,724	3,538	6,816	190	7,006
Public Library - State Aid Fund	3	-	-	-	3	-	-	-
Public Library - SOCKLS Fund	8,957	-	-	9,624	8,471	10,110	-	10,110
Public Library - Capital Improvements Fund	21,044	-	-	45	17	21,072	-	21,072
Public Library - Library Gift Fund	89,916	-	-	1,505	25,486	65,935	-	65,935
Public Library - Vanguard Fund	232,218	(16,669)	-	11,305	-	226,854	-	226,854
Total Component Unit Funds	380,267	(16,669)	-	96,950	102,384	358,164	1,560	359,724
Total Reporting Entity (Excluding Agency Funds)	\$ 4,068,110	(16,669)	-	10,751,172	9,296,208	5,506,405	587,851	6,094,256
Composition of Cash								
						Checking Accounts		\$ 2,500,969
						Certificates of Deposit		3,260,567
						Cash		200
						Total Primary Government		5,761,736
						Total Component Unit		359,724
						Total Reporting Entity		6,121,460
						Agency Funds per Statement 4		(27,204)
						Total Reporting Entity (Excluding Agency Funds)		\$ 6,094,256

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

CITY OF ANTHONY, KANSAS
 Summary of Expenditures - Actual and Budget
 For the Year Ended December 31, 2011

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Categories					
General Fund	\$ 1,054,516	13,485	1,068,001	1,060,865	(7,136)
Special Revenue Funds					
General Fund	77,222	196,442	273,664	220,353	(53,311)
Airport Fund	207,858	104,652	312,510	289,860	(22,650)
Employee Benefit Fund	53,032	-	53,032	52,162	(870)
Library Fund	12,794	-	12,794	12,582	(212)
Library Employee Benefits Fund	3,855	2,872	6,727	5,360	(1,367)
Special Parks and Recreation Fund	60,730	-	60,730	186,106	125,376
Special Street and Highway Fund	25,730	2,217	27,947	25,873	(2,074)
Anthony Transportation Service Fund	30,366	-	30,366	29,373	(993)
Industrial Development Fund	144,113	-	144,113	144,079	(34)
Recreation Fund					
Debt Service Fund					
Bond and Interest Fund	78,221	-	78,221	74,142	(4,079)
Series 2010 GO Bond Debt Service Fund	25,016	-	25,016	25,006	(10)
Proprietary Fund Category					
Enterprise Funds					
Electric Utility Fund	3,916,942	266,275	4,183,217	3,980,791	(202,426)
Sewage Utility Fund	320,765	-	320,765	306,011	(14,754)
Water Utility Fund	736,784	-	736,784	607,506	(129,278)

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

CITY OF ANTHONY, KANSAS
General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes	\$ 384,391	400,690	388,877	11,813
Intergovernmental	17,532	17,532	17,545	(13)
Local Retail Sales Tax	466,823	265,061	248,156	16,905
Transient Guest Tax	14,457	21,543	16,000	5,543
Federal Grant	-	17,324	-	17,324
Fines and Fees	6,018	6,511	6,390	121
Charges for Service	19,000	19,000	19,000	-
Interest	4,397	3,275	20,000	(16,725)
Building Rent	2,513	3,128	2,700	428
Franchise Fees	82,254	79,994	100,000	(20,006)
Licenses and Permits	5,922	5,179	5,700	(521)
Oil and Gas Lease	-	1,052,123	-	1,052,123
Miscellaneous	34,818	23,980	10,495	13,485
Transfers In	355,198	176,196	176,171	25
Total Cash Receipts	1,393,323	2,091,536	1,011,034	1,080,502
Expenditures				
General Administration	303,015	272,750	275,172	(2,422)
Streets	213,132	240,892	266,050	(25,158)
Police	300,794	312,484	316,560	(4,076)
Taxi	10,047	6,915	4,474	2,441
Fire	64,031	84,380	59,590	24,790
Building Demolition	101,249	26,585	-	26,585
Park	10,680	13,260	14,020	(760)
Tree Board	3,245	1,098	3,000	(1,902)
Downtown Corporation Appropriation	-	-	5,000	(5,000)
Transfers Out	398,124	102,501	104,394	(1,893)
Neighborhood Revitalization Rebate	-	-	6,256	(6,256)
(a) Adjustment for Qualifying Budget Credit	-	-	13,485	(13,485)
Total Expenditures	1,404,317	1,060,865	1,068,001	(7,136)
Cash Receipts Over (Under) Expenditures	(10,994)	1,030,671		
Unencumbered Cash - Beginning	51,538	40,544		
Unencumbered Cash - Ending	\$ 40,544	1,071,215		
(a) Adjustment for Qualifying Budget Credit				
Miscellaneous Over Amount Budgeted			\$ <u>13,485</u>	

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

CITY OF ANTHONY, KANSAS
Airport Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Cash Receipts				
Taxes	\$ 15,449	32,674	33,549	(875)
Gas Sales	12,503	11,930	8,000	3,930
Lease and Rental Income	12,272	12,328	13,445	(1,117)
Federal Grant	708,573	66,500	-	66,500
State Grant	-	196,442	-	196,442
Miscellaneous	152	1,508	1,148	360
Transfers In	30,000	-	-	-
Total Cash Receipts	<u>778,949</u>	<u>321,382</u>	<u>56,142</u>	<u>265,240</u>
Expenditures				
Personal Services	3,309	2,891	3,625	(734)
Contractual Services	113,372	85,498	19,000	66,498
Commodities	11,356	28,732	14,000	14,732
Capital Outlay	774,363	103,232	20,000	83,232
Transfers Out	-	-	20,000	(20,000)
Neighborhood Revitalization Rebate	-	-	597	(597)
(a) Adjustment for Qualifying Budget Credit	-	-	196,442	(196,442)
Total Expenditures	<u>902,400</u>	<u>220,353</u>	<u>273,664</u>	<u>(53,311)</u>
Cash Receipts Over (Under) Expenditures	(123,451)	101,029		
Unencumbered Cash - Beginning	<u>29,398</u>	<u>(94,053)</u>		
Unencumbered Cash - Ending	\$ <u>(94,053)</u>	<u>6,976</u>		
(a) Adjustment for Qualifying Budget Credit				
Airport Improvement Grant Over Amount Budgeted			\$ <u>196,442</u>	

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

CITY OF ANTHONY, KANSAS
Employee Benefit Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Cash Receipts				
Taxes	\$ 112,828	118,026	113,294	4,732
Employee Contributions	35,843	104,652	-	104,652
Interest	671	1,550	-	1,550
Miscellaneous	1,121	672	-	672
Transfers In	104,890	-	99,500	(99,500)
Total Cash Receipts	<u>255,353</u>	<u>224,900</u>	<u>212,794</u>	<u>12,106</u>
Expenditures				
Social Security	32,005	32,911	33,650	(739)
Health and Life Insurance	112,094	213,152	133,650	79,502
Retirement	29,587	34,163	27,670	6,493
Miscellaneous	1,355	1,179	1,000	179
Workers Compensation	8,336	8,455	10,000	(1,545)
Neighborhood Revitalization Rebate	-	-	1,888	(1,888)
(a) Adjustment for Qualifying Budget Credit	-	-	104,652	(104,652)
Total Expenditures	<u>183,377</u>	<u>289,860</u>	<u>312,510</u>	<u>(22,650)</u>
Cash Receipts Over (Under) Expenditures	71,976	(64,960)		
Unencumbered Cash - Beginning	<u>14,720</u>	<u>86,696</u>		
Unencumbered Cash - Ending	\$ <u>86,696</u>	<u>21,736</u>		
(a) Adjustment for Qualifying Budget Credit				
Employee Contributions Over Amount Budgeted			\$ <u>104,652</u>	

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

CITY OF ANTHONY, KANSAS
Employee Insurance Benefit Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Employee Contributions	\$ 46,541	-
Interest	964	-
Total Cash Receipts	<u>47,505</u>	<u>-</u>
Expenditures		
Health Insurance	62,992	-
Transfers Out	104,890	-
Total Expenditures	<u>167,882</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	(120,377)	-
Unencumbered Cash - Beginning	<u>120,377</u>	<u>-</u>
Unencumbered Cash - Ending	<u>\$ -</u>	<u>-</u>

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

CITY OF ANTHONY, KANSAS
Library Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes	\$ 50,092	54,081	52,709	1,372
Expenditures				
Appropriations to Library Board	51,100	52,162	52,162	-
Neighborhood Revitalization Rebate	-	-	870	(870)
Total Expenditures	51,100	52,162	53,032	(870)
Cash Receipts Over (Under) Expenditures	(1,008)	1,919		
Unencumbered Cash - Beginning	323	(685)		
Unencumbered Cash - Ending	\$ (685)	1,234		

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

CITY OF ANTHONY, KANSAS
Library Employee Benefits Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes	\$ 11,530	12,987	12,794	193
Expenditures				
Appropriations to Library Board	11,530	12,582	12,582	-
Neighborhood Revitalization Rebate	-	-	212	(212)
Total Expenditures	11,530	12,582	12,794	(212)
Cash Receipts Over (Under) Expenditures	-	405		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	405		

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

CITY OF ANTHONY, KANSAS
Special Parks and Recreation Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State of Kansas - Liquor Tax	\$ 5,639	4,390	2,202	2,188
Reimbursements	46	2,872	-	2,872
Total Cash Receipts	<u>5,685</u>	<u>7,262</u>	<u>2,202</u>	<u>5,060</u>
Expenditures				
Personal Services	-	-	1,000	(1,000)
Contractual Services	7,071	5,360	-	5,360
Commodities	-	-	1,855	(1,855)
Capital Outlay	-	-	1,000	(1,000)
(a) Adjustment for Qualifying Budget Credit	-	-	2,872	(2,872)
Total Expenditures	<u>7,071</u>	<u>5,360</u>	<u>6,727</u>	<u>(1,367)</u>
Cash Receipts Over (Under) Expenditures	(1,386)	1,902		
Unencumbered Cash - Beginning	<u>2,653</u>	<u>1,267</u>		
Unencumbered Cash - Ending	\$ <u>1,267</u>	<u>3,169</u>		
(a) Adjustment for Qualifying Budget Credit Reimbursements Over Amount Budgeted			\$ <u>2,872</u>	

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

CITY OF ANTHONY, KANSAS
Special Street and Highway Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State of Kansas Fuel Tax	\$ 110,754	57,623	60,730	(3,107)
Interest	981	1,541	-	1,541
Reimbursements	1,020	324	-	324
Transfers In	-	361,420	-	361,420
Total Cash Receipts	<u>112,755</u>	<u>420,908</u>	<u>60,730</u>	<u>360,178</u>
Expenditures				
Personal Services	6,084	753	5,000	(4,247)
Contractual Services	1,785	144,616	5,000	139,616
Commodities	822	40,737	11,658	29,079
Transfers Out	-	-	39,072	(39,072)
Total Expenditures	<u>8,691</u>	<u>186,106</u>	<u>60,730</u>	<u>125,376</u>
Cash Receipts Over (Under) Expenditures	104,064	234,802		
Unencumbered Cash - Beginning	<u>(2,892)</u>	<u>101,172</u>		
Unencumbered Cash - Ending	\$ <u>101,172</u>	<u>335,974</u>		

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

CITY OF ANTHONY, KANSAS
Anthony Transportation Service Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Memberships and Rides	\$ 5,450	5,942	4,000	1,942
Grants	14,544	18,717	16,500	2,217
Reimbursements	680	130	600	(470)
Miscellaneous	-	-	4,630	(4,630)
Total Cash Receipts	<u>20,674</u>	<u>24,789</u>	<u>25,730</u>	<u>(941)</u>
Expenditures				
Personal Services	13,144	18,176	19,292	(1,116)
Contractual Services	2,593	3,554	3,500	54
Commodities	3,704	4,143	2,938	1,205
(a) Adjustment for Qualifying Budget Credit	-	-	2,217	(2,217)
Total Expenditures	<u>19,441</u>	<u>25,873</u>	<u>27,947</u>	<u>(2,074)</u>
Cash Receipts Over (Under) Expenditures	1,233	(1,084)		
Unencumbered Cash - Beginning	-	1,233		
Unencumbered Cash - Ending	\$ <u>1,233</u>	<u>149</u>		
(a) Adjustment for Qualify Budget Credit				
Grants Over Amount Budgeted			\$ <u>2,217</u>	

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

CITY OF ANTHONY, KANSAS
Industrial Development Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes	\$ 10,381	14,061	13,868	193
Rental Income	24,522	24,078	15,800	8,278
Reimbursements	1,709	814	-	814
Sale of Land	43,200	-	-	-
Miscellaneous	774	-	-	-
Transfers In	6,115	-	-	-
Total Cash Receipts	86,701	38,953	29,668	9,285
Expenditures				
Contractual Services	8,865	3,491	9,000	(5,509)
Commodities	1,140	-	3,000	(3,000)
Capital Outlay	33,752	25,882	18,000	7,882
Neighborhood Revitalization Rebate	-	-	366	(366)
Total Expenditures	43,757	29,373	30,366	(993)
Cash Receipts Over (Under) Expenditures	42,944	9,580		
Unencumbered Cash - Beginning	11,210	54,154		
Unencumbered Cash - Ending	\$ 54,154	63,734		

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

CITY OF ANTHONY, KANSAS
Recreation Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes	\$ 34,205	37,733	36,466	1,267
Swimming Pool Receipts	15,409	13,830	11,000	2,830
Concession Receipts	11,038	15,573	17,500	(1,927)
Entry Fees	19,561	23,470	25,622	(2,152)
Donations	2,030	347	-	347
Reimbursements	2,131	958	640	318
Pool Improvement Charge	35,058	41,489	42,220	(731)
Total Cash Receipts	<u>119,432</u>	<u>133,400</u>	<u>133,448</u>	<u>(48)</u>
Expenditures				
Personal Services	28,047	44,041	39,469	4,572
Contractual Services	32,574	35,740	36,183	(443)
Commodities	23,436	26,185	26,000	185
Transfers Out	35,058	38,113	42,220	(4,107)
Neighborhood Revitalization Rebate	-	-	241	(241)
Total Expenditures	<u>119,115</u>	<u>144,079</u>	<u>144,113</u>	<u>(34)</u>
Cash Receipts Over (Under) Expenditures	317	(10,679)		
Unencumbered Cash - Beginning	<u>18,890</u>	<u>19,207</u>		
Unencumbered Cash - Ending	\$ <u>19,207</u>	<u>8,528</u>		

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

CITY OF ANTHONY, KANSAS
Insurance Proceeds Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Insurance Proceeds	\$ 99,390	-
Interest	392	-
Total Cash Receipts	99,782	-
Expenditures		
Reimbursements	222,406	-
Cash Receipts Over (Under) Expenditures	(122,624)	-
Unencumbered Cash - Beginning	122,624	-
Unencumbered Cash - Ending	\$ -	-

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

CITY OF ANTHONY, KANSAS
Municipal Equipment Reserve Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Loan Proceeds	\$ 22,442	-
Miscellaneous	6,600	-
Transfers In	19,979	38,976
Total Cash Receipts	<u>49,021</u>	<u>38,976</u>
Expenditures		
Commodities	3,908	19,217
Capital Outlay	39,659	26,409
Total Expenditures	<u>43,567</u>	<u>45,626</u>
Cash Receipts Over (Under) Expenditures	5,454	(6,650)
Unencumbered Cash - Beginning	<u>44,143</u>	<u>49,597</u>
Unencumbered Cash - Ending	\$ <u>49,597</u>	<u>42,947</u>

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

CITY OF ANTHONY, KANSAS
Downtown Revitalization Loan Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Repayments	\$ 5,631	7,522
Expenditures		
Community Projects	5,700	4,000
Cash Receipts Over (Under) Expenditures	(69)	3,522
Unencumbered Cash - Beginning	52,307	52,238
Unencumbered Cash - Ending	\$ 52,238	55,760

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

CITY OF ANTHONY, KANSAS
Sales Tax Revenue Bond Sales Tax Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers in	\$ 205,036	-
Expenditures		
Transfers Out	266,670	-
Cash Receipts Over (Under) Expenditures	(61,634)	-
Unencumbered Cash - Beginning	61,634	-
Unencumbered Cash - Ending	\$ -	-

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

CITY OF ANTHONY, KANSAS
Sales Tax Revenue Bond Reserve Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 623	644
Expenditures		
Transfers Out	-	156,267
Cash Receipts Over (Under) Expenditures	623	(155,623)
Unencumbered Cash - Beginning	155,000	155,623
Unencumbered Cash - Ending	\$ 155,623	-

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

CITY OF ANTHONY, KANSAS
Capital Improvements Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
State Grants	\$ 5,000	-
Loan Proceeds	12,353	-
Transfers In	40,136	32,293
Total Cash Receipts	57,489	32,293
Expenditures		
Capital Outlay	144,796	25,228
Transfers Out	36,115	-
Total Expenditures	180,911	25,228
Cash Receipts Over (Under) Expenditures	(123,422)	7,065
Unencumbered Cash - Beginning	396,270	272,848
Unencumbered Cash - Ending	\$ 272,848	279,913

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

CITY OF ANTHONY, KANSAS
2007 Home Rehab Grant Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
State Grants	\$ 128,631	-
Expenditures		
Administration	103,341	-
Cash Receipts Over (Under) Expenditures	25,290	-
Unencumbered Cash - Beginning	(25,290)	-
Unencumbered Cash - Ending	\$ -	-

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

CITY OF ANTHONY, KANSAS
CDBG Urgent Need Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Downtown Demolition	\$ 268,980	-
Federal CDBG - Wellness Center	290,059	312,751
Reimbursement From Hospital - Wellness Center	41,200	398,407
Total Cash Receipts	<u>600,239</u>	<u>711,158</u>
Expenditures		
Downtown Demolition	268,847	54
Wellness Center	558,032	484,446
Total Expenditures	<u>826,879</u>	<u>484,500</u>
Cash Receipts Over (Under) Expenditures	(226,640)	226,658
Unencumbered Cash - Beginning	-	(226,640)
Unencumbered Cash - Ending	<u>\$ (226,640)</u>	<u>18</u>

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

CITY OF ANTHONY, KANSAS
Bond and Interest Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes	\$ 69,075	79,120	76,234	2,886
Expenditures				
Principal	50,977	45,000	45,000	-
Interest	16,705	29,141	29,141	-
Commissions and Postage	1	1	8	(7)
Cash Basis Reserve	-	-	3,000	(3,000)
Neighborhood Revitalization Rebate	-	-	1,072	(1,072)
Total Expenditures	67,683	74,142	78,221	(4,079)
Cash Receipts Over (Under) Expenditures	1,392	4,978		
Unencumbered Cash - Beginning	2,307	3,699		
Unencumbered Cash - Ending	\$ 3,699	8,677		

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

CITY OF ANTHONY, KANSAS
Sales Tax Revenue Bond Debt Service Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 6,957	1,204
Transfers In	193,260	188,477
Total Cash Receipts	<u>200,217</u>	<u>189,681</u>
Expenditures		
Principal	180,000	185,000
Interest	12,835	4,348
Postage and Commission	3	3
Transfers Out	-	235,938
Total Expenditures	<u>192,838</u>	<u>425,289</u>
Cash Receipts Over (Under) Expenditures	7,379	(235,608)
Unencumbered Cash - Beginning	<u>228,229</u>	<u>235,608</u>
Unencumbered Cash - Ending	<u>\$ 235,608</u>	<u>-</u>

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

CITY OF ANTHONY, KANSAS
Series 2001 GO Bond Debt Service Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 155,376	25,896
Expenditures		
Principal	135,000	145,000
Interest	9,246	3,172
Commission and Postage	3	2
Transfers Out	-	125,482
Total Expenditures	144,249	273,656
Cash Receipts Over (Under) Expenditures	11,127	(247,760)
Unencumbered Cash - Beginning	236,633	247,760
Unencumbered Cash - Ending	\$ 247,760	-

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

CITY OF ANTHONY, KANSAS
Series 2009 GO Bond Debt Service Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Reimbursement	\$ 25,000	-
Expenditures		
Principal	24,022	-
Interest	27,365	-
Total Expenditures	51,387	-
Cash Receipts Over (Under) Expenditures	(26,387)	-
Unencumbered Cash - Beginning	26,387	-
Unencumbered Cash - Ending	\$ -	-

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

CITY OF ANTHONY, KANSAS
Series 2010 GO Bond Debt Service Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Temporary Note Proceeds	\$ 280,000	-	-	-
Transfers In	18,444	22,868	25,332	(2,464)
Total Cash Receipts	298,444	22,868	25,332	(2,464)
Expenditures				
Principal	-	10,000	10,000	-
Interest	-	15,006	15,006	-
Fees	-	-	10	(10)
Capital Outlays	262,306	-	-	-
Cost of Issuance	13,688	-	-	-
Total Expenditures	275,994	25,006	25,016	(10)
Cash Receipts Over (Under) Expenditures	22,450	(2,138)		
Unencumbered Cash - Beginning	-	22,450		
Unencumbered Cash - Ending	\$ 22,450	20,312		

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

CITY OF ANTHONY, KANSAS
GO Temporary Note Series 2010 Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Temporary Note Proceeds	\$ 261,000	-
Expenditures		
Cost of Issuance	9,316	-
Capital Project	231,545	-
Interest	-	3,393
Total Expenditures	<u>240,861</u>	<u>3,393</u>
Cash Receipts Over (Under) Expenditures	20,139	(3,393)
Unencumbered Cash - Beginning	<u>-</u>	<u>20,139</u>
Unencumbered Cash - Ending	<u>\$ 20,139</u>	<u>16,746</u>

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

CITY OF ANTHONY, KANSAS
Electric Debt Service Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 285,900	285,900
Expenditures		
Principal	215,000	225,000
Interest	68,258	60,240
Total Expenditures	283,258	285,240
Cash Receipts Over (Under) Expenditures	2,642	660
Unencumbered Cash - Beginning	35,507	38,149
Unencumbered Cash - Ending	\$ 38,149	38,809

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

CITY OF ANTHONY, KANSAS
Electric Debt Service Reserve Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	<u>280,500</u>	<u>280,500</u>
Unencumbered Cash - Ending	<u>\$ 280,500</u>	<u>280,500</u>

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

CITY OF ANTHONY, KANSAS
Water Debt Service Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 119,820	59,910
Expenditures		
Principal	105,000	105,000
Interest	6,825	3,465
Total Expenditures	<u>111,825</u>	<u>108,465</u>
Cash Receipts Over (Under) Expenditures	7,995	(48,555)
Unencumbered Cash - Beginning	<u>74,692</u>	<u>82,687</u>
Unencumbered Cash - Ending	\$ <u><u>82,687</u></u>	<u><u>34,132</u></u>

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

CITY OF ANTHONY, KANSAS
WWTF Loan Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 180,480	128,807
Expenditures		
Principal	95,936	104,790
Interest	51,834	51,495
Total Expenditures	147,770	156,285
Cash Receipts Over (Under) Expenditures	32,710	(27,478)
Unencumbered Cash - Beginning	36,636	69,346
Unencumbered Cash - Ending	\$ 69,346	41,868

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

CITY OF ANTHONY, KANSAS
Series 2005 Electric Bond Debt Service Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 353	767
Transfers In	26,352	29,363
Total Cash Receipts	<u>26,705</u>	<u>30,130</u>
Expenditures		
Principal	20,000	20,000
Interest	10,082	9,363
Total Expenditures	<u>30,082</u>	<u>29,363</u>
Cash Receipts Over (Under) Expenditures	(3,377)	767
Unencumbered Cash - Beginning	<u>8,721</u>	<u>5,344</u>
Unencumbered Cash - Ending	<u>\$ 5,344</u>	<u>6,111</u>

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

CITY OF ANTHONY, KANSAS
Series 2005 Electric Bond Debt Service Reserve Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	30,000	30,000
Unencumbered Cash - Ending	\$ 30,000	30,000

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

CITY OF ANTHONY, KANSAS
GO Temporary Note Series 2011 Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Temporary Note Proceeds	\$ -	172,000
Expenditures		
Cost of Issuance - USDA Rural Development	-	8,011
Capital Project - USDA Rural Development	-	163,989
Total Expenditures	-	172,000
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

CITY OF ANTHONY, KANSAS
Wayne Dennis Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 18,797	7,001
Expenditures		
Community Projects	40,175	4,425
Cash Receipts Over (Under) Expenditures	(21,378)	2,576
Unencumbered Cash - Beginning	785,042	763,664
Unencumbered Cash - Ending	\$ 763,664	766,240

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

CITY OF ANTHONY, KANSAS
Electric Utility Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Metered Electric Sales	\$ 3,449,912	3,687,436	3,600,000	87,436
Penalties	36,015	41,038	-	41,038
Reimbursements	47,138	416,275	150,000	266,275
Payment on Lease-Purchase	19,180	17,024	-	17,024
Miscellaneous	5	6,345	10,000	(3,655)
Interest	26,406	11,244	40,000	(28,756)
Connect and Nonpayment Fees	4,738	4,138	-	4,138
Transfers In	225,854	-	116,942	(116,942)
Total Cash Receipts	3,809,248	4,183,500	3,916,942	266,558
Expenditures				
Administration	115,801	101,389	151,000	(49,611)
Production	2,084,678	2,666,816	2,526,129	140,687
Distribution	667,101	546,283	600,000	(53,717)
Capital Outlay	117,938	34,341	132,000	(97,659)
Transfers Out	851,139	631,962	507,813	124,149
(a) Adjustment for Qualifying Budget Credit	-	-	266,275	(266,275)
Total Expenditures	3,836,657	3,980,791	4,183,217	(202,426)
Cash Receipts Over (Under) Expenditures	(27,409)	202,709		
Unencumbered Cash - Beginning	27,853	444		
Unencumbered Cash - Ending	\$ 444	203,153		
(a) Adjustment for Qualifying Budget Credit				
Reimbursements Over Amount Budgeted			\$ <u>266,275</u>	

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

CITY OF ANTHONY, KANSAS
Sewage Utility Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Service Charge	\$ 318,691	332,631	312,800	19,831
Penalties	4,517	4,628	-	4,628
KDHE Loan Proceeds	154,726	-	-	-
Reimbursements	1,213	4,415	1,700	2,715
Miscellaneous	-	-	4,665	(4,665)
Interest	754	215	1,600	(1,385)
Transfers In	23,000	-	-	-
Total Cash Receipts	<u>502,901</u>	<u>341,889</u>	<u>320,765</u>	<u>21,124</u>
Expenditures				
Administration	33,173	28,871	27,000	1,871
Treatment	137,607	131,500	115,017	16,483
Capital Outlay	1,556	-	3,600	(3,600)
Transfers Out	325,052	145,640	175,148	(29,508)
Total Expenditures	<u>497,388</u>	<u>306,011</u>	<u>320,765</u>	<u>(14,754)</u>
Cash Receipts Over (Under) Expenditures	5,513	35,878		
Unencumbered Cash - Beginning	<u>792</u>	<u>6,305</u>		
Unencumbered Cash - Ending	\$ <u>6,305</u>	<u>42,183</u>		

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

CITY OF ANTHONY, KANSAS
Water Utility Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Metered Water Sales	\$ 596,609	735,233	567,300	167,933
Licenses and Fees	14,286	9,196	12,000	(2,804)
Lake Leases	18,700	20,826	18,150	2,676
Bulk Water Sales-Resale	421	3,655	-	3,655
Penalties	7,287	7,668	-	7,668
Reimbursements	16,080	20,559	11,000	9,559
Miscellaneous	-	100	4,000	(3,900)
Interest	7,060	3,658	7,000	(3,342)
Lake Maintenance and Improvement	23,000	11,529	19,500	(7,971)
Payment on Lease-Purchase	1,274	585	-	585
Community Lake Assistance	4,790	4,790	4,700	90
Connect and Nonpayment Fees	2,139	1,846	-	1,846
Total Cash Receipts	<u>691,646</u>	<u>819,645</u>	<u>643,650</u>	<u>175,995</u>
Expenditures				
Administration	208,059	122,613	105,000	17,613
Administration - USDA Rural Development	-	42,078	-	42,078
Production	45,879	31,426	30,000	1,426
Distribution	187,967	217,505	210,000	7,505
Capital Outlay	3,190	1,026	8,500	(7,474)
Lake Maintenance	76,908	78,384	85,000	(6,616)
Lease/Purchase	15,250	14,996	128,180	(113,184)
Transfers Out	176,968	99,478	170,104	(70,626)
Total Expenditures	<u>714,221</u>	<u>607,506</u>	<u>736,784</u>	<u>(129,278)</u>
Cash Receipts Over (Under) Expenditures	(22,575)	212,139		
Unencumbered Cash - Beginning	<u>31,710</u>	<u>9,135</u>		
Unencumbered Cash - Ending	\$ <u>9,135</u>	<u>221,274</u>		

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

CITY OF ANTHONY, KANSAS
Electric System Depreciation and Replacement Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	<u>250,000</u>	<u>250,000</u>
Unencumbered Cash - Ending	<u>\$ 250,000</u>	<u>250,000</u>

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

CITY OF ANTHONY, KANSAS
Electric System Reserve Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 287,854	163,000
Expenditures		
Transfers Out	225,854	-
Cash Receipts Over (Under) Expenditures	62,000	163,000
Unencumbered Cash - Beginning	575,000	637,000
Unencumbered Cash - Ending	\$ 637,000	800,000

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

CITY OF ANTHONY, KANSAS
Electric System Equipment Replacement Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 12,000	6,000
Expenditures		
Capital Outlay	35,487	-
Cash Receipts Over (Under) Expenditures	(23,487)	6,000
Unencumbered Cash - Beginning	24,751	1,264
Unencumbered Cash - Ending	\$ 1,264	7,264

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

CITY OF ANTHONY, KANSAS
Sewer System Reserve Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 50,000	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	50,000	-
Unencumbered Cash - Beginning	-	50,000
Unencumbered Cash - Ending	\$ 50,000	50,000

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

CITY OF ANTHONY, KANSAS
Sewer Equipment Replacement Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 23,976	4,800
Expenditures		
Capital Outlay	257	18
Transfers Out	23,000	-
Total Expenditures	23,257	18
Cash Receipts Over (Under) Expenditures	719	4,782
Unencumbered Cash - Beginning	-	719
Unencumbered Cash - Ending	\$ 719	5,501

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

CITY OF ANTHONY, KANSAS
Wastewater Lagoon Cleaning Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 61,800	2,800
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	61,800	2,800
Unencumbered Cash - Beginning	-	61,800
Unencumbered Cash - Ending	\$ 61,800	64,600

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

CITY OF ANTHONY, KANSAS
Water Reserve Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	300,000	300,000
Unencumbered Cash - Ending	\$ 300,000	300,000

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

CITY OF ANTHONY, KANSAS
Water Equipment Replacement Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 17,400	8,700
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	17,400	8,700
Unencumbered Cash - Beginning	15,261	32,661
Unencumbered Cash - Ending	\$ 32,661	41,361

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

CITY OF ANTHONY, KANSAS
Public Relief Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous	\$ 1,558	1,784
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	1,558	1,784
Unencumbered Cash - Beginning	24,410	25,968
Unencumbered Cash - Ending	\$ 25,968	27,752

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

CITY OF ANTHONY, KANSAS
Public Library - General Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Appropriations From City	\$ 62,486	65,541
Grants	-	1,055
Interest	184	148
Transfers In	15,322	3
Total Cash Receipts	<u>77,992</u>	<u>66,747</u>
Expenditures		
Salaries and Wages	46,746	48,269
Payroll Taxes	4,661	2,946
Health Insurance and KPERS	5,062	-
Insurance	2,883	203
Penalties and Interest	-	439
Advertising	304	-
Books	-	1,055
Supplies	859	180
Utilities	9,837	10,278
Repairs and Maintenance	3,317	1,100
Capital Outlay	-	399
Total Expenditures	<u>73,669</u>	<u>64,869</u>
Cash Receipts Over (Under) Expenditures	4,323	1,878
Unencumbered Cash - Beginning	<u>21,176</u>	<u>25,499</u>
Unencumbered Cash - Ending	<u>\$ 25,499</u>	<u>27,377</u>

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

CITY OF ANTHONY, KANSAS
Public Library - Special Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Fines and Copies	\$ 2,454	2,443
Interest	11	4
Donations	1,911	3,334
Book Sales	855	777
Miscellaneous	195	1,166
Total Cash Receipts	<u>5,426</u>	<u>7,724</u>
Expenditures		
Supplies	1,721	1,578
Postage	1,410	71
Programs	658	727
Books	1,658	821
Employee Appreciation	450	-
Dues and Memberships	360	200
Repairs and Maintenance	479	100
Travel	137	-
Miscellaneous	287	41
Total Expenditures	<u>7,160</u>	<u>3,538</u>
Cash Receipts Over (Under) Expenditures	(1,734)	4,186
Unencumbered Cash - Beginning	<u>4,364</u>	<u>2,630</u>
Unencumbered Cash - Ending	\$ <u><u>2,630</u></u>	<u><u>6,816</u></u>

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

CITY OF ANTHONY, KANSAS
Public Library - State Aid Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
State Aid	\$ 1,249	-
Expenditures		
Books	1,249	-
Transfers Out	-	3
Total Expenditures	1,249	3
Cash Receipts Over (Under) Expenditures	-	(3)
Unencumbered Cash - Beginning	3	3
Unencumbered Cash - Ending	\$ 3	-

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

CITY OF ANTHONY, KANSAS
Public Library - SCKLS Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Grant	\$ 6,853	9,624
Expenditures		
Books	2,678	3,610
Periodicals	260	83
Supplies	479	590
Insurance	-	1,059
Repairs and Maintenance	-	783
Capital Outlay	-	2,275
Miscellaneous	2	71
Total Expenditures	3,419	8,471
Cash Receipts Over (Under) Expenditures	3,434	1,153
Unencumbered Cash - Beginning	5,523	8,957
Unencumbered Cash - Ending	\$ 8,957	10,110

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

CITY OF ANTHONY, KANSAS
Public Library - Capital Improvements Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 71	45
Expenditures		
Miscellaneous	-	17
Cash Receipts Over (Under) Expenditures	71	28
Unencumbered Cash - Beginning	20,973	21,044
Unencumbered Cash - Ending	\$ 21,044	21,072

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

CITY OF ANTHONY, KANSAS
Public Library - Library Gift Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 746	505
Donations	-	1,000
Transfers In	30,000	-
Total Cash Receipts	<u>30,746</u>	<u>1,505</u>
Expenditures		
Books	5,817	9,395
Periodicals	2,258	2,325
Audio Visual Aids	989	115
Supplies	668	1,562
Advertising	340	-
Postage	-	1,050
Repairs and Maintenance	-	1,292
Insurance	-	2,754
Capital Outlay	300	6,728
Miscellaneous	304	265
Total Expenditures	<u>10,676</u>	<u>25,486</u>
Cash Receipts Over (Under) Expenditures	20,070	(23,981)
Unencumbered Cash - Beginning	<u>69,846</u>	<u>89,916</u>
Unencumbered Cash - Ending	<u>\$ 89,916</u>	<u>65,935</u>

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

CITY OF ANTHONY, KANSAS
Public Library - Vanguard Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2011
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest and Dividends	\$ 9,678	11,305
Expenditures		
Transfers Out	45,322	-
Cash Receipts Over (Under) Expenditures	<u>(35,644)</u>	<u>11,305</u>
Unencumbered Cash - Beginning As Previously Stated	251,193	232,218
Prior Period Adjustment	<u>-</u>	<u>(16,669)</u>
Unencumbered Cash - Beginning As Restated	<u>251,193</u>	<u>215,549</u>
Unencumbered Cash - Ending	<u>\$ 215,549</u>	<u>226,854</u>

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

CITY OF ANTHONY, KANSAS
Agency Funds
 Summary of Cash Receipts and Cash Disbursements
 For the Year Ended December 31, 2011

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Enterprise Facilitation Project	\$ 25	-	25	-
Sales Tax	7,125	102,560	108,213	1,472
Service Deposits	23,473	10,740	8,481	25,732
Total	\$ 30,623	113,300	116,719	27,204

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

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The City is a municipal corporation governed by five elected commissioners. One of these commissioners is then elected mayor by the five commissioners. These financial statements present the City (primary government) and its component unit. The component unit is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

The component unit section of these financial statements includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the City. The governing body of the component unit is appointed by the City.

Public Library

The City operates the public library. Acquisition or disposition of real property by the Library must be approved by the City. Bond issuances must also be approved by the City. The City substantially funds the library's operations by levying tax dollars. Complete financial records for the Public Library may be reviewed at the administrative offices at 624 E. Main, Anthony, Kansas 67003.

Use of Estimates

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

Basis of Presentation – Fund Accounting

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

The following categories of funds comprise the financial activities of the City for the year ended December 31, 2011.

Governmental Fund Categories

General Fund - To account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

Debt Service Funds – to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Project Fund – to account for financial resources to be used for the acquisition or construction of capital facilities.

Permanent Fund – to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for the purposes that support the City's programs – that is, for the benefit of the City or its citizenry.

Proprietary Fund Category

Enterprise Funds - to account for operations that are financed and operated in a manner similar to private business enterprises where the stated 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, or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund Categories

Private Purpose Trust Fund - to account for assets held by the City as trustee or agent for others. The principal and income of these funds may be expended in the course of the fund's designated operations.

Agency Funds - to account for assets held by the City as trustee or agent for others.

Statutory Basis of Accounting

The statutory basis of 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 requirements for application of generally accepted accounting principles and allowing the City to use the statutory basis of accounting.

Departure From Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land,

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 the adoption of the legal annual operating budget.

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time.

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 City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, and the following special revenue funds: Employee Insurance Benefit Fund, Capital Improvements Fund, Municipal Equipment Reserve Fund, Downtown Revitalization Loan Fund, CDBG Urgent Need Fund, Sales Tax Revenue Bond Sales Tax Fund, Sales Tax Revenue Bond Reserve Fund, Insurance Proceeds Fund, and 2007 Home Rehab Grant Fund.

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

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deposits and Investments

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

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investments 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. The Library's allocation of investments at December 31, 2011 is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Vanguard Prime Money Market Fund	1%
Vanguard Inter-Term Bond Index	82%
Vanguard Total Stock Market Index	17%

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City did not use "peak periods" during 2011. All deposits were legally secured at December 31, 2011.

At December 31, 2011 the carrying amount of the City's deposits was \$5,761,736 and the bank balance was \$5,798,374. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$1,534,001 was covered by federal depository insurance, \$1,000,000 was covered by a letter of credit, and \$3,264,373 was collateralized with securities held by the pledging financial institutions' agent in the City's name.

At December 31, 2011 the carrying amount of the Library's deposits was \$132,870 and the bank balance was \$138,206. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$138,206 was covered by federal depository insurance.

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City had no investments at December 31, 2011.

As of December 31, 2011, the Public Library, a component unit of the City, had the following investments:

Investment Type	Fair Value	Maturity	Rating
Vanguard Prime Money Market Fund	\$ 2,892	N/A	N/A
Vanguard Inter-Term Bond Index	206,592	N/A	5 Star
Vanguard Total Stock Market Index	43,224	N/A	4 Star
Total Investments	<u>\$ 252,708</u>		

Compensated Absences

Vacation

Vacation shall be earned for continuous service beginning with the most recent date of employment. An employee who works fewer than 12 days in any month shall not accrue vacation credit for such month of service. This restriction of 12 days shall not apply where the employee has worked fewer than 12 days due to authorized vacation or sick leave. No more than 30 days of accrued vacation may be carried over from one calendar year to the next. The City's maximum potential liability under the plan at December 31, 2011 was \$84,202.

Full-time employees shall receive one day of vacation for each full month of employment. Full-time employees with 10 or more years of employment shall receive one and one-fourth (1 1/4) days of vacation for each full month of employment.

Part-time employees who work at least 20 hours or more per week shall earn vacation at the rate of four hours for each month of employment. Seasonal and temporary employees shall not earn vacation.

Upon termination, an employee shall be compensated for all earned but unused vacation at their final rate of pay, subject to the maximum hours of accumulation.

Sick Leave

Full-time employees and part-time employees who are employed to work at least 20 hours or more per week shall be entitled to sick leave with pay for absences resulting from illness, injuries, accidents or other physical incapacity occurring either on or off the job. The City's maximum potential liability under the plan at December 31, 2011 was \$241,223.

Full-time employees shall earn eight hours of sick leave for each month of service. Part-time employees who are employed to work not less than 20 hours per week shall receive 4 hours of sick leave for each month of employment.

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Those reports may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603-3869) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% and 6% (if hired on or after July 1, 2009) 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 rates 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% and 14.42% for KPERS retirees. The City's employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009 were \$83,289, \$72,919, and \$75,803, respectively, equal to the required contributions for each year as set forth by the legislature.

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 City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

Property Tax Calendar

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

Restricted Assets

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

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reimbursements

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

NOTE 2 – CAPITAL PROJECTS

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

Project Name	Cash Disbursements and Accounts Payable To Date	Project Authorization
Anthony Wellness Center Project	\$880,816	919,038
Main Street Demolition	386,598	386,598
Water Utility Project	403,545	8,900,000
Airport Runway and Taxiway	1,052,719	1,246,489
Power Line Construction	297,477	297,477
Airport Refueling Station	106,778	103,220
Airport 3-20-0002-08 Extend Runway	14,250	85,500
KLINK Resurfacing of K-179	120,821	120,821

NOTE 3 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Anthony, Kansas'** interfund transfers and statutory authority for the year ended December 31, 2011 were as follows:

From	To	Statutory Authority	Amount
General Fund	Municipal Equipment Reserve Fund	K.S.A. 12-1,117	\$ 38,976
General Fund	Capital Improvements Fund	K.S.A. 12-1,118	5,419
General Fund	Sales Tax Revenue Bond Debt Service Fund	K.S.A. 12-1,117	32,210
General Fund	Series 2001 GO Bond Debt Service Fund	K.S.A. 12-1,117	25,896
Recreation Fund	Capital Improvements Fund	K.S.A. 12-1,118	15,245
Recreation Fund	Series 2010 GO Bond Debt Service Fund	K.S.A. 10-117a	22,868
Sales Tax Revenue Bond Debt Service Fund	Special Street and Highway Fund	Close fund	235,938
Sales Tax Revenue Bond Reserve Fund	Sales Tax Revenue Bond Debt Service Fund	Close fund	156,267
Electric Utility Fund	Electric System Equipment Replacement Fund	K.S.A. 12-825d	6,000
Electric Utility Fund	Electric System Reserve Fund	K.S.A. 12-825d	163,000
Electric Utility Fund	Electric Debt Service Fund	K.S.A. 12-825d	285,900
Electric Utility Fund	Series 2005 Electric Bond Debt Service Fund	K.S.A. 12-825d	29,363
Electric Utility Fund	General Fund	K.S.A. 12-825d	147,699

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 3 – INTERFUND TRANSFERS (continued)

Sewage Utility Fund	Wastewater Lagoon Cleaning Fund	K.S.A. 12-825d	\$ 2,800
Sewage Utility Fund	WWTF Loan Fund	K.S.A. 12-825d	128,807
Sewage Utility Fund	General Fund	K.S.A. 12-825d	9,233
Sewage Utility Fund	Sewer Equipment Replacement Fund	K.S.A. 12-825d	4,800
Water Utility Fund	Water Equipment Replacement Fund	K.S.A. 12-825d	8,700
Water Utility Fund	Water Debt Service Fund	K.S.A. 12-825d	59,910
Water Utility Fund	Capital Improvements Fund	K.S.A. 12-1,118	11,629
Water Utility Fund	General Fund	K.S.A. 12-825d	19,239
Series 2001 GO Bond Debt Service Fund	Special Street and Highway Fund	Close fund	125,482
Enterprise Facilitation Project Fund	General Fund	Close fund	25
Component Unit Operating Transfers			
Public Library - State Aid Fund	Public Library - General Fund	Close fund	3

NOTE 4 – LITIGATION

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

NOTE 5 – RISK MANAGEMENT

City of Anthony, Kansas 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 disasters. The City has been able to obtain errors and omissions insurance at a cost it considered to be economically justifiable.

The City carries commercial insurance including property, general liability, inland marine, crime, umbrella, and auto coverage. The City does not carry comprehensive collision insurance on all motor vehicles. The City has elected not to provide for a reserve on this risk. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three calendar years.

NOTE 6 – GRANTS AND SHARED REVENUES

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

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 7 – DEBT RESTRICTIONS AND COVENANTS

Electric Utility Revenue Bonds

During the year ended December 31, 1998, the City issued Electric Utility System Revenue Bonds in the amount of \$3,345,000. The bonds were issued for the purpose of providing funds to pay for costs of acquiring, constructing, reconstructing, altering, repairing, improving, extending or enlarging the electric utility system of the City. In October 2004, the City issued Electric Utility System Revenue Refunding Bonds in the amount of \$2,805,000 to refinance the bonds issued in 1998.

In connection with the original 1998 bond issue, the City has made certain covenants and agreements to provide for the payment and security thereof. Under the terms of City Ordinance No. S-108, the City is required to meet certain requirements for "Net Revenues", bond reserve accounts, rate covenants, tax covenants, depreciation and replacement reserves and bond and interest payment accounts. These covenants and agreements also apply to the Electric Utility System Revenue Refunding Bonds issued in 2004.

For the year ended December 31, 2011, the System had "Net Revenues", as computed under the bond resolution, in the amount of \$686,972. Thus, net revenues were in excess of the 125% of the debt service requirement in the bond resolution.

The following schedule presents the computation of "Net Revenues" in accordance with the resolution.

Electric Utility Fund	
Revenues	\$ 4,183,500
Total Expenditures per Report	3,980,791
Transfers Out to Reserve Funds	(484,263)
Total Expenditures	3,496,528
Net Revenues	686,972
Debt Service Requirement for 2011	
2004 Electric Revenue Bond	285,240
2005 Electric Revenue Bond	29,363
Total	314,603
Total x 1.25	(393,254)
Operational Revenue Exceeding Rate Covenant Requirement	\$ 293,718

The system is insured with Employers Mutual through EMC of Wichita, Kansas.

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 8 – COMPARATIVE DATA

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in **City of Anthony, Kansas'** cash and unencumbered cash balances. However, complete comparative data (presentation of prior year totals in Statement 1) has not been presented since their inclusion would make the statement unduly complex and difficult to read.

NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The quarterly report for cash and debt balances published in the newspaper for the fourth quarter of 2011 showed inaccurate debt balances on the GO Temporary Notes and Capital Leases. This is in violation of K.S.A. 12-1608.

The Municipal Equipment Reserve Fund was used to purchase items other than equipment. This is in violation of K.S.A. 12-1,117.

A GAAP waiver was not passed by the Commission for 2011. A GAAP waiver was not passed by the Commission for 2012 as of the date of our audit fieldwork. This is in violation of K.S.A. 75-1120a.

Bond payments made to the state fiscal agent were not made at least 20 days prior to the due date of the principal or interest. This is in violation of K.S.A. 10-130.

There is one check that has been outstanding in excess of two years. This is in violation of K.S.A. 10-816.

Actual expenditures exceeded budgeted expenditures in the Special Street and Highway Fund (\$125,376). This is in violation of K.S.A. 79-2935.

NOTE 10 – REVITALIZATION AND INDUSTRIAL DEVELOPMENT LOANS

The City Industrial Development Board owns a building north of the City limits and has an installment agreement in place with a buyer on the building. The installment agreement was in place February 1, 2006. The buyer is making monthly payments on the note with the term of the note being 120 months and an interest rate of 5%. The balance of this loan at December 31, 2011 is \$45,153. Improvements were made to this building in 2009 and an additional promissory note was executed by the buyer. This promissory note term is 60 months with a balloon payment at the end of the term and has an interest rate of 5%. The balance of this note at December 31, 2011 is \$70,001.

The City and the Industrial Development Board make loans to businesses within the **City of Anthony, Kansas**. These loans have maturities of 5 years and interest rates ranging from 1% to 4.37%. The balance of these loans total \$33,570 at December 31, 2011.

A lease purchase agreement was approved for the Anthony Golf Club to assist in the purchase of a mower. This is a five year lease that was entered into on December 20, 2010. The lease has an interest rate of 1.10%. The balance of the lease at December 31, 2011 was \$7,507.

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 11 – SUBSEQUENT EVENTS

On May 1, 2012 the City entered into a \$200,000 capital lease agreement with Kanza Bank for the purchase of a pumper truck.

On June 28, 2012 General Obligation Renewal and Improvement Temporary Notes in the amount of \$4,795,000 were issued for the water treatment plan improvements including land acquisition, additional waterlines, nitrate removal, appurtenances, and refunding the Refunded Notes.

NOTE 12 – PRIOR PERIOD ADJUSTMENT

The Public Library – Vanguard Fund was adjusted for prior period errors. This fund was recorded at market value in the past. The statement has been corrected to show the fund at cost basis. The restatement decreases cash \$16,669 for the current year beginning unencumbered cash.

NOTE 13 – LONG-TERM DEBT

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

General Obligation Bond

In 2001, the City issued \$1,200,000 in Internal Improvement 2001 Bonds for the purpose of providing funds for internal improvements.

In 2002, the City issued \$885,000 in Internal Improvement and Refunding 2002 Bonds for the purpose of providing funds for internal improvements.

In 2005, the City issued \$235,000 in Series 2005 Bonds for the purpose of purchasing a fire truck.

In 2008, the City issued \$255,000 in Main Traffic Way Project Bonds – Series 2008 for the purpose of providing funds for main traffic way improvements.

In 2009, the City issued \$355,000 in Series 2009A Bonds for the purpose of sewer line, street, and tennis court improvements.

In 2010, the City issued \$280,000 in Series 2010A Bonds for the purpose of swimming pool improvements.

Temporary Notes

In 2010, the City issued \$261,000 in Series 2010 General Obligation Temporary Notes for the purpose of public water supply system improvements.

In 2011, the City issued \$172,000 in Series 2011 General Obligation Temporary Notes for the purpose of public water system improvements.

Revenue Bonds

In 2001, the City issued \$1,550,000 in Series 2001 Sales Tax Revenue Bonds for the purpose of street improvements.

On September 20, 2004, the City issued \$2,805,000 in Series 2004 Revenue Bonds for the purpose of electric utility improvements.

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 13 – LONG-TERM DEBT (continued)

On June 27, 2005, the City issued \$300,000 in Series 2005 Revenue Bonds for the purpose of electric utility improvements.

Loan Warrants

On November 17, 2008, the City entered into a loan warrant agreement with Anthony Fireman's Relief Association for \$100,000 for the purpose of purchasing a new tanker fire truck.

On May 3, 2010, the City entered into a loan warrant agreement with Anthony Fireman's Relief Association for \$14,400 for the purpose of purchasing a new fire rig truck and equipment.

KDHE Loans

On December 30, 1999, the City entered into a revolving loan agreement with the Kansas Department of Health and Environment acting on behalf of the State of Kansas for \$1,851,150 for the purpose of wastewater treatment improvements. The City will use proceeds generated by the operation of the utility for loan repayment, which began March 1, 2002.

On December 31, 2008, the City entered into a revolving loan agreement with the Kansas Department of Health and Environment acting on behalf of the State of Kansas for \$313,713 for the purpose of wastewater treatment improvements. The City will use proceeds generated by the operation of the utility for loan repayment, which began March 1, 2010.

Capital Leases

In 2005, the City entered into a lease with KANZA Bank for \$101,353 for the purpose of building industrial buildings.

In 2006, the City entered into a lease with Bank of Kansas for \$169,789 for the purpose of purchasing a digger truck.

In 2007, the City entered into a lease with Farmers Bank and Trust Company for \$151,146 for the purpose of purchasing a loader, backhoe, and police car.

In 2007, the City approved a lease purchase agreement for \$4,745 between the General Fund and the Water Utility Fund for the purpose of building a police garage.

In 2007, the City approved a lease purchase agreement for \$22,172 between the Water Utility Fund and the Electric Utility Fund for the purpose of ball park renovations.

On December 31, 2007, the City approved a lease purchase agreement for \$53,699 between the General Fund and the Water Utility Fund for the purpose of wastewater property improvements.

On June 17, 2008, the City entered into a lease with KANZA Bank for \$58,617 for the purpose of purchasing a 2007 John Deere Tractor and a 2008 John Deere Rotary Cutter.

On September 15, 2008, the City entered into a lease with Farmers Bank and Trust Company for \$57,973 for the purpose of purchasing a 2008 F-350 pickup, a 2008 F-450 pickup, and a flatbed.

On August 31, 2009, the City entered into a lease with KANZA Bank for \$85,000 for the purpose of improvement to the industrial building.

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 13 – LONG-TERM DEBT (continued)

On March 15, 2010, the City entered into a lease with KANZA Bank for \$20,395 for the purpose of purchasing a police car.

On April 21, 2010, the City entered into a lease with Farmers Bank and Trust Company for \$28,990 for the purpose of purchasing a mower.

On July 6, 2010, the City approved a lease purchase agreement for \$89,785 between the General Fund and the Electric Utility Fund for the purpose of providing funds for the downtown demolition.

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 13 - LONG-TERM DEBT (continued)

Changes in long-term liabilities 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										
Internal Improvement 2001	3.50 - 4.38%	2001	\$ 1,200,000	2011	145,000	-	145,000	-	-	3,172
Internal Improvement and Refunding 2002	1.45 - 3.30%	2002	885,000	2011	105,000	-	105,000	-	-	3,465
Series 2005 - Fire Truck	2.90 - 4.40%	2005	235,000	2020	165,000	-	15,000	150,000	150,000	6,344
Main Trafficway Project	3.50 - 4.25%	2008	255,000	2023	240,000	-	15,000	225,000	225,000	9,505
Series 2009A - Sunrise Addn & Tennis Court	3.45 - 5.40%	2009	355,000	2024	305,000	-	15,000	290,000	290,000	13,292
Series 2010A - Pool	3.25 - 4.15%	2010	280,000	2025	280,000	-	10,000	270,000	270,000	15,005
Total General Obligation Bonds					1,240,000	-	305,000	935,000	935,000	50,784
Temporary Notes										
Water Improvement GO Temporary Notes	1.30%	2010	261,000	2013	261,000	-	-	172,000	261,000	3,393
Water Improvement GO Temporary Notes	0.75%	2011	172,000	2014	-	172,000	-	172,000	172,000	-
Total Temporary Notes					261,000	172,000	-	433,000	433,000	3,393
Revenue Bonds										
Sales Tax - Series 2001	3.75 - 4.70%	2001	1,550,000	2011	185,000	-	185,000	-	-	4,348
Electric Utility System Refunding - Series 2004	3.73%	2004	2,805,000	2017	1,615,000	-	225,000	1,390,000	1,390,000	60,240
Electric Utility Revenue Bond 2005	3.25%	2005	300,000	2020	225,000	-	20,000	205,000	205,000	9,363
Total Revenue Bonds					2,025,000	-	430,000	1,595,000	1,595,000	73,951
Loan Warrants										
Fireman Relief Fund -2009	0.00%	2009	100,000	2018	80,000	-	10,000	-	70,000	-
Fireman Relief Fund -2010	0.00%	2010	14,400	2019	12,960	-	1,440	-	11,520	-
Total Loan Warrants					92,960	-	11,440	81,520	81,520	-
KDHE Loans										
KDHE Project No. C20-1212-01	3.49%	2002	1,851,150	2021	1,225,174	-	93,128	-	1,132,046	41,953
KDHE Project No. C20-1775-01	2.88%	2009	313,713	2030	307,738	-	11,662	-	296,076	9,542
Total KDHE Loans					1,532,912	-	104,790	1,428,122	1,428,122	51,495
Capital Leases										
Industrial Development Real Estate	5.90%	2005	101,353	2015	57,995	-	10,292	-	47,703	3,274
Loader, Police Car, Backhoe	4.32%	2007	151,146	2012	35,393	-	32,788	-	2,605	884
2006 Digger Truck	5.75%	2006	169,769	2012	48,051	-	31,573	-	16,478	1,938
Police Garage	4.00%	2007	4,745	2017	3,512	-	445	-	3,067	140
Ball Park Renovation	5.18%	2007	22,172	2011	4,651	-	4,651	-	-	243
Ford Truck, Flabbed, Water truck, Waste water truck	4.55%	2008	57,973	2013	33,502	-	11,704	-	21,798	1,282
Wastewater property improvements	4.00%	2008	53,699	2022	45,327	-	3,017	-	42,310	1,813
JD tractor mower, Rotary cutter	4.00%	2008	58,617	2013	30,763	-	11,938	-	18,825	1,013
Kerr Addition - K & K Diesel	5.75%	2009	85,000	2014	76,197	-	6,987	-	69,210	4,199
Mower - ATM72LC	3.75%	2010	28,980	2013	22,827	-	9,525	-	13,302	740
Crown Victoria Police Car	3.50%	2010	20,395	2013	15,495	-	6,737	-	8,758	435
Demolition Project	1.10%	2010	89,785	2025	89,785	-	10,797	-	78,988	958
Total Capital Leases					463,498	-	140,454	323,044	323,044	16,919
Total Contractual Indebtedness					5,615,370	172,000	991,684	4,795,686	4,795,686	196,542
Compensated Absences					302,279	-	-	23,146	325,425	-
Total Long-Term Debt					\$ 5,917,649	172,000	991,684	23,146	\$ 5,121,111	196,542

CITY OF ANTHONY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 13 - LONG-TERM DEBT (continued)

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

	YEAR										Total		
	2012	2013	2014	2015	2016	2017-2021	2022-2026	2027-2031					
Principal													
General Obligation Bonds	\$ 60,000	60,000	65,000	65,000	70,000	390,000	225,000	-	-	935,000			
Temporary Notes	-	261,000	172,000	-	-	-	-	-	-	433,000			
Revenue Bonds	250,000	260,000	270,000	280,000	295,000	240,000	-	-	-	1,595,000			
Loan Warrants	11,440	11,440	11,440	11,440	11,440	24,320	-	-	-	81,520			
KDHE Loans	108,436	112,210	116,115	120,156	124,337	688,680	87,400	69,778	-	1,428,122			
Capital Leases	93,445	55,301	81,289	28,318	15,616	44,429	4,646	-	-	323,044			
Total Principal	523,321	759,951	715,844	504,914	516,393	1,388,439	317,046	69,778	69,778	4,785,686			
Interest													
General Obligation Bonds	37,282	29,446	32,824	30,525	28,166	96,611	20,007	-	-	274,861			
Temporary Notes	4,633	4,683	4,683	1,290	-	-	-	-	-	15,289			
Revenue Bonds	60,470	51,131	41,399	31,274	20,756	16,336	-	-	-	221,366			
KDHE Loans	47,116	44,075	40,170	36,129	31,947	91,700	18,618	4,436	-	314,191			
Capital Leases	11,400	8,045	6,475	2,419	1,553	3,817	186	-	-	33,895			
Total Interest	160,901	137,380	125,551	101,637	87,422	208,464	38,811	4,436	4,436	859,602			
Total Principal and Interest	\$ 684,222	897,331	841,395	606,551	598,815	1,596,903	355,857	74,214	74,214	5,655,288			

CITY OF ANTHONY, KANSAS

Supplementary Information



Certified
Public
Accountants

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

To the Mayor and City Commission
City of Anthony, Kansas
Anthony, Kansas

We have audited the financial statements of **City of Anthony, Kansas** as of and for the year ended December 31, 2011, and have issued our report thereon dated July 16, 2012. The report on the audited financial statements was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of **City of Anthony, Kansas** is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered **City of Anthony, Kansas'** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **City of Anthony, Kansas'** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **City of Anthony, Kansas'** internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs (2011-1) to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with

governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs (2011-2 and 2011-3) to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **City of Anthony, Kansas'** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of **City of Anthony, Kansas** in a separate letter dated July 16, 2012.

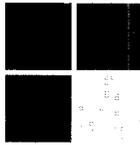
City of Anthony, Kansas' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit **City of Anthony, Kansas'** response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Commission, others within the entity, federal awarding agencies and pass through entities, and the Kansas Department of Administration, Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties.

Adams, Brown, Beran & Ball

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

July 16, 2012



Certified
Public
Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Mayor and City Commission
City of Anthony, Kansas
Anthony, Kansas

Compliance

We have audited **City of Anthony, Kansas'** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of **City of Anthony, Kansas'** major federal programs for the year ended December 31, 2011. **City of Anthony, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **City of Anthony, Kansas'** management. Our responsibility is to express an opinion on **City of Anthony, Kansas'** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **City of Anthony, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of **City of Anthony, Kansas'** compliance with those requirements.

In our opinion, **City of Anthony, Kansas** complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of **City of Anthony, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered **City of Anthony, Kansas'** internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over

compliance. Accordingly, we do not express an opinion on the effectiveness of **City of Anthony, Kansas'** internal control over compliance.

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

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

This report is intended solely for the information and use of management, City Commission, others within the entity, federal awarding agencies and pass-through entities, and the Kansas Department of Administration, Division of Accounts and Reports, and is not intended to be and should not be used by anyone other than these specified parties.

Adams, Brown, Beran & Ball

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

July 16, 2012

CITY OF ANTHONY, KANSAS
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

FEDERAL AWARDS

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
14.228	Community Development Block Grant
10.781	Water and Waste Disposal Systems for Rural Communities-ARRA

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

Auditee qualified as low-risk auditee? Yes X No

CITY OF ANTHONY, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS

A. Material Weakness in Internal Control

2011-1

Criteria

Internal controls should be in place to insure that employees do not have incompatible duties.

Condition

Proper segregation of duties does not exist in the accounting system.

Context

We found that there were incompatible duties among the personnel that collect general revenues and prepare checks. The individual that posts general receipts to the general ledger also prepares the bank reconciliation. The same person prepares checks and has access to signature stamps. This provides an opportunity for misappropriation of funds.

Effect

Management may not become aware of the problems or irregularities within a timely manner.

Cause

The City is unable to hire additional personnel due to its size.

Recommendation

Procedures should be established and implemented where the City implements segregation of duties in the receipts and expenditures cycles and implements additional internal control.

Views of responsible officials and planned corrective actions

See auditee's corrective action plan.

B. Significant Deficiencies in Internal Control

2011-2

Criteria

Client personnel responsible for the accounting and reporting function should possess the necessary skills and knowledge to prepare financial statements and related notes in conformity with the cash basis and budget laws of the State of Kansas.

Condition

Client personnel do not have the necessary skills and knowledge to apply statutory basis accounting principles in recording the entity's financial transactions or when preparing financial statements.

Context

We inquired with personnel about their ability to apply statutory basis accounting principles. Training or additional personnel would be required in order for the City to prepare financial statements using the statutory basis of accounting.

CITY OF ANTHONY, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

B. Significant Deficiencies in Internal Control (continued)

Effect

The City might not be able to report all transactions of the entity in accordance with the statutory basis of accounting. Transactions could occur and not be reported timely. Financial reports showing year-to-date transactions of the City could not be available to support all of the activities.

Cause

Due to the limited size of the City, it is not practical to hire fully qualified staff to the extent that they possess all the skills in order to apply the appropriate accounting principles when preparing financial statements, including relevant note disclosures.

Recommendation

Procedures should be established and implemented whereby the City personnel continue to obtain training.

Views of responsible officials and planned corrective actions

The City is aware that employees lack the knowledge and necessary skills to apply statutory basis accounting principals when recording financial transactions and preparing financial statements. At this time, it is not economically feasible for the City to hire the accounting personnel necessary to prepare financial statements, including relevant note disclosures.

2011-3

Criteria

Signature stamps should be locked and secured by the stamp's owner. The stamp should not be available to others, especially anyone with access to checks or check printing or recording capabilities.

Condition

Signatures stamps are available for use when signing checks. The signature stamps are not currently being secured and therefore, someone other than the owner of the stamp may obtain it.

Context

Auditor inquired about the process of check signing and viewed where the stamps are being kept. The auditor recommended that the stamps be locked and stored by their owners.

Effect

Allowing others to use the signature stamp on the owner's behalf puts the owner at risk. The owner may not be aware of or authorize the use of the stamp.

Cause

Management was not aware of the risks associated with the handling of the signature stamps and had not locked them for convenience.

Recommendation

Auditor recommends that only the owner of the signature stamp have access to it and use it.

Views of responsible officials and planned corrective actions

See auditee's corrective action plan.

CITY OF ANTHONY, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

CITY OF ANTHONY, KANSAS
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2011

2010-5 CFDA 20.106 Airport Improvement Program

Condition

All City personnel were not aware of the cash management requirement. One draw down was not spent within three days. It took 13 days before one of the draw downs was expended. The interest earned on the reimbursement by the City was under \$19 and therefore, may be used for administrative expenses.

Recommendation

Procedures should be established and implemented where the City fully understands the cash management compliance requirements and communicates the requirements to all personnel involved. Management will oversee that the cash management requirements are met.

Current Status

Auditee is still working to improve this. There was one case in 2011 where funds were not spent within six days. This is an improvement and they are still working to coordinate the reimbursement requests with the check approval process.

CITY OF ANTHONY, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
U.S. Department of Commerce			
Pass-through from Kansas Department of Commerce			
Community Development Block Grants	14.228	11-JT-001	\$ 17,324
Community Development Block Grants	14.228	10-PF-011	<u>249,342</u>
Total U.S. Department of Commerce			<u>266,666</u>
U.S. Department of Agriculture			
Water and Waste Disposal Systems for Rural Communities - ARRA	10.781	NA	<u>214,078</u>
U.S. Department of Transportation			
Airport Improvement Program	20.106	3-20-002-08	14,250
Airport Improvement Program	20.106	3-20-002-07	<u>55,652</u>
Total U.S. Department of Transportation			<u>69,902</u>
U.S. Department of Health and Environment			
Pass-through from Kansas Department of Health and Environment			
PSW Supervision Supplemental	66.468	LG 02-00-3702	5,500
TITLE XIX-IMM Outreach Awareness	93.778	264258A	<u>400</u>
Total U.S. Department of Transportation			<u>5,900</u>
Total Expenditures of Federal Awards			\$ <u>556,546</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF ANTHONY, KANSAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

NOTE 1 – BASIS OF PRESENTATION

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