

CITY OF ELLINWOOD, KANSAS

Primary Government Financial Statements
With Independent Auditors' Report

For the Year Ended December 31, 2011

CITY OF ELLINWOOD, KANSAS
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For the Year Ended December 31, 2011

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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Ellinwood, Kansas
Ellinwood, Kansas

We have audited the accompanying primary government financial statements of **City of Ellinwood, 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 Ellinwood, 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 and the *Kansas Municipal Audit Guide*. 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.

The financial statements do not include financial data for the City's legally separate component unit, Ellinwood Community Foundation. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the City's primary government, unless the City also issues financial statements for the financial reporting entity that includes the financial data for its component unit. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash and unencumbered cash balances of the aggregate discretely presented component unit would have been reported as \$975,586 for the Ellinwood Community Foundation.

As described more fully in Note 1, **City of Ellinwood, 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 matters discussed in the preceding paragraphs, 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 the aggregate discretely presented component unit of the **City of Ellinwood, Kansas**, as of December 31, 2011, or changes in financial position thereof for the year then ended.

City of Ellinwood, Kansas
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In addition, in our opinion, because of the effects of the matters discussed in the preceding paragraphs, 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 Ellinwood, Kansas**, as of December 31, 2011, or changes in its financial position for the year then ended. Further, **City of Ellinwood, Kansas** has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although is not required to be a part of, the basic financial statements.

Further, in our opinion, the financial statements referred to present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **City of Ellinwood, 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.

Adams, Brown, Beran & Ball, Chtd.

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

May 08, 2012

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Categories							
General Fund							
General Fund	\$ 46,638	-	1,011,975	1,008,805	49,808	24,243	74,051
Special Revenue Funds							
Fire-Ambulance Equipment Fund	103,931	-	43,955	-	147,886	-	147,886
Library Fund	4,348	-	19,338	15,078	8,608	-	8,608
Fire Fund	35,542	-	39,381	40,761	34,162	4,094	38,256
Special Parks and Recreation Fund	3,881	-	3,642	5,411	2,112	-	2,112
Capital Improvement Fund	19,520	-	52,228	51,717	20,031	44,750	64,781
Special Highway Fund	17,539	-	208,004	208,271	17,272	12,605	29,877
Economic Development Fund	54,463	-	48,989	41,390	62,062	203	62,265
Drug Assessment Fund	4,258	-	-	-	4,258	-	4,258
Debt Service Fund							
Bond and Interest Fund	72,505	-	73,285	73,750	72,040	-	72,040
Proprietary Fund Category							
Enterprise Funds							
Electric Fund	81,789	-	2,115,531	2,111,795	85,525	161,959	247,484
Electric Capital Reserve Fund	659,809	-	64,577	95,327	629,059	-	629,059
Solid Waste Fund	23,912	-	184,186	188,947	19,151	8,139	27,290
Water Fund	71,192	-	308,133	309,153	70,172	10,507	80,679
Water Capital Reserve Fund	28,432	-	35	17,231	11,236	-	11,236
Wastewater Fund	48,785	-	213,036	216,053	45,768	5,807	51,575
Fiduciary Fund Category							
Private Purpose Trust Fund							
Ambulance Contribution Fund	14,676	-	3,072	8,859	8,889	-	8,889
Prairie Enterprise Fund	53,049	-	50,082	54,519	48,612	2,266	50,878
Total Primary Government (Excluding Agency Funds)	\$ 1,344,269	-	4,439,449	4,447,067	1,336,651	274,573	1,611,224
Composition of Cash							
						\$ 485,583	
						1,125,641	
						1,611,224	
						-	
						\$ 1,611,224	

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

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

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Categories					
General Fund					
General Fund	\$ 1,043,606	-	1,043,606	1,008,805	(34,801)
Special Revenue Funds					
Fire-Ambulance Equipment Fund	118,800	-	118,800	-	(118,800)
Library Fund	21,000	-	21,000	15,078	(5,922)
Fire Fund	68,600	-	68,600	40,761	(27,839)
Special Parks and Recreation Fund	10,000	-	10,000	5,411	(4,589)
Special Highway Fund	235,790	-	235,790	208,271	(27,519)
Economic Development Fund	115,000	-	115,000	41,390	(73,610)
Debt Service Fund					
Bond and Interest Fund	104,463	-	104,463	73,750	(30,713)
Proprietary Fund Category					
Enterprise Funds					
Electric Fund	2,345,999	-	2,345,999	2,111,795	(234,204)
Solid Waste Fund	218,768	-	218,768	188,947	(29,821)
Water Fund	318,720	-	318,720	309,153	(9,567)
Wastewater Fund	283,349	-	283,349	216,053	(67,296)
Fiduciary Fund Category					
Private Purpose Trust Fund					
Ambulance Contribution Fund	14,000	-	14,000	8,859	(5,141)

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

CITY OF ELLINWOOD, 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 and Shared Revenues				
Ad Valorem Property Tax	\$ 230,751	240,662	251,102	(10,440)
Delinquent Tax	4,466	12,401	750	11,651
Motor Vehicle Tax	62,019	60,125	59,651	474
Local Alcoholic Liquor Tax	5,616	3,639	5,621	(1,982)
County Sales Tax	234,711	257,780	255,000	2,780
Charges for Services	10,488	12,725	4,000	8,725
Franchise Fees	40,935	37,957	45,000	(7,043)
Federal Grants	-	907	-	907
State Grants	-	915	-	915
Licenses, Fees and Permits	25,979	26,382	8,925	17,457
Municipal Court Fines	17,767	21,267	16,500	4,767
Interest	137	138	400	(262)
City Sales Tax	78,317	85,947	80,000	5,947
Ambulance Fee and Subsidy	110,764	151,163	127,000	24,163
Other Income	4,788	12,967	28,700	(15,733)
Sale of Property	10,000	2,000	-	2,000
Transfers In	50,561	85,000	105,000	(20,000)
Total Cash Receipts	887,299	1,011,975	987,649	24,326
Expenditures				
General Administrative	167,452	185,843	215,026	(29,183)
Capital Outlay	-	-	9,500	(9,500)
Public Safety				
Police	363,318	386,819	355,620	31,199
Ambulance	155,257	172,070	182,666	(10,596)
Health, Sanitation and Airport	3,345	8,313	8,440	(127)
Recreation - Swimming Pool	43,680	55,219	55,441	(222)
Recreation - Activities	26,848	29,209	37,913	(8,704)
Miscellaneous	5,000	5,000	-	5,000
Transfers Out	116,158	166,332	179,000	(12,668)
Total Expenditures	881,058	1,008,805	1,043,606	(34,801)
Cash Receipts Over (Under) Expenditures	6,241	3,170		
Unencumbered Cash - Beginning	40,397	46,638		
Unencumbered Cash - Ending	\$ 46,638	49,808		

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

CITY OF ELLINWOOD, KANSAS
Fire-Ambulance Equipment 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 and Shared Revenues				
Ad Valorem Property Tax	\$ 11,284	9,743	10,163	(420)
Motor Vehicle Tax	2,308	2,926	2,916	10
Delinquent Tax	218	494	-	494
Federal Grant	-	18,611	-	18,611
Interest	253	181	300	(119)
Transfers In	12,000	12,000	12,000	-
Total Cash Receipts	26,063	43,955	25,379	18,576
Expenditures				
Uniforms and Clothing	-	-	6,000	(6,000)
Capital Outlay	19,744	-	112,800	(112,800)
Total Expenditures	19,744	-	118,800	(118,800)
Cash Receipts Over (Under) Expenditures	6,319	43,955		
Unencumbered Cash - Beginning	97,612	103,931		
Unencumbered Cash - Ending	\$ 103,931	147,886		

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

CITY OF ELLINWOOD, 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 and Shared Revenues				
Ad Valorem Property Tax	\$ 14,599	14,785	15,425	(640)
Motor Vehicle Tax	3,207	3,790	3,775	15
Delinquent Tax	283	750	-	750
Interest	11	13	10	3
Total Cash Receipts	18,100	19,338	<u>19,210</u>	<u>128</u>
Expenditures				
Appropriations	14,826	15,078	<u>21,000</u>	<u>(5,922)</u>
Cash Receipts Over (Under) Expenditures	3,274	4,260		
Unencumbered Cash - Beginning	1,074	4,348		
Unencumbered Cash - Ending	\$ <u>4,348</u>	<u>8,608</u>		

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

CITY OF ELLINWOOD, KANSAS
Fire 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				
Federal Grant	\$ -	1,300	-	1,300
Rural Fire Contracts	38,500	38,000	38,000	-
Interest	114	56	100	(44)
Other Income	3,474	25	-	25
Total Cash Receipts	<u>42,088</u>	<u>39,381</u>	<u>38,100</u>	<u>1,281</u>
Expenditures				
Personnel Services	6,000	6,000	6,300	(300)
Contractual Services	14,372	11,959	20,770	(8,811)
Commodities	16,848	14,491	20,530	(6,039)
Capital Outlay	5,971	8,311	21,000	(12,689)
Total Expenditures	<u>43,191</u>	<u>40,761</u>	<u>68,600</u>	<u>(27,839)</u>
Cash Receipts Over (Under) Expenditures	(1,103)	(1,380)		
Unencumbered Cash - Beginning	<u>36,645</u>	<u>35,542</u>		
Unencumbered Cash - Ending	\$ <u>35,542</u>	<u>34,162</u>		

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

CITY OF ELLINWOOD, 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				
Liquor Tax Private Clubs	\$ 5,617	3,639	5,620	(1,981)
Interest	7	3	10	(7)
Total Cash Receipts	<u>5,624</u>	<u>3,642</u>	<u>5,630</u>	<u>(1,988)</u>
Expenditures				
Contractual Services	1,104	711	-	711
Commodities	3,798	1,700	10,000	(8,300)
Capital Outlay	-	3,000	-	3,000
Total Expenditures	<u>4,902</u>	<u>5,411</u>	<u>10,000</u>	<u>(4,589)</u>
Cash Receipts Over (Under) Expenditures	722	(1,769)		
Unencumbered Cash - Beginning	<u>3,159</u>	<u>3,881</u>		
Unencumbered Cash - Ending	\$ <u>3,881</u>	<u>2,112</u>		

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

CITY OF ELLINWOOD, 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	\$ -	-	-	-
Expenditures				
Transfers Out	561	-	-	-
Cash Receipts Over (Under) Expenditures	(561)	-		
Unencumbered Cash - Beginning	561	-		
Unencumbered Cash - Ending	\$ -	-		

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

CITY OF ELLINWOOD, KANSAS
Capital Improvement 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	\$ 28	28
Insurance Proceeds	3,723	-
Reimbursed Expense	6,000	-
Transfers In	25,400	52,200
Total Cash Receipts	<u>35,151</u>	<u>52,228</u>
Expenditures		
Contractual Services	3,723	6,967
Capital Outlay	21,263	44,750
Total Expenditures	<u>24,986</u>	<u>51,717</u>
Cash Receipts Over (Under) Expenditures	10,165	511
Unencumbered Cash - Beginning	<u>9,355</u>	<u>19,520</u>
Unencumbered Cash - Ending	<u>\$ 19,520</u>	<u>20,031</u>

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

CITY OF ELLINWOOD, KANSAS
Special 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				
Taxes and Shared Revenues				
Gasoline Tax	\$ 53,863	53,605	56,080	(2,475)
Delinquent Tax	680	400	-	400
Other Income	120	-	-	-
Interest	33	25	50	(25)
Transfers In	134,158	153,974	170,000	(16,026)
Total Cash Receipts	<u>188,854</u>	<u>208,004</u>	<u>226,130</u>	<u>(18,126)</u>
Expenditures				
Personnel Services	126,480	125,286	139,040	(13,754)
Contractual Services	11,135	23,823	15,625	8,198
Commodities	35,315	40,865	47,125	(6,260)
Capital Outlay	16,237	18,297	34,000	(15,703)
Total Expenditures	<u>189,167</u>	<u>208,271</u>	<u>235,790</u>	<u>(27,519)</u>
Cash Receipts Over (Under) Expenditures	(313)	(267)		
Unencumbered Cash - Beginning	<u>17,852</u>	<u>17,539</u>		
Unencumbered Cash - Ending	\$ <u>17,539</u>	\$ <u>17,272</u>		

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

CITY OF ELLINWOOD, KANSAS
Economic 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 Over (Under)
		Actual	Budget	
Cash Receipts				
Contributions	\$ 1,404	1,950	-	1,950
Interest	178	92	400	(308)
Other Income	150	150	-	150
Sale of Property	-	15,000	-	15,000
Transfers In	31,643	31,797	30,000	1,797
Total Cash Receipts	33,375	48,989	30,400	18,589
Expenditures				
Economic Development Activity	42,325	41,390	115,000	(73,610)
Cash Receipts Over (Under) Expenditures	(8,950)	7,599		
Unencumbered Cash - Beginning	63,413	54,463		
Unencumbered Cash - Ending	\$ 54,463	62,062		

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

CITY OF ELLINWOOD, KANSAS
Drug Assessment 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	4,258	4,258
Unencumbered Cash - Ending	\$ 4,258	4,258

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

CITY OF ELLINWOOD, 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 and Shared Revenues				
Ad Valorem Property Tax	\$ 39,089	36,175	37,744	(1,569)
Delinquent Tax	757	1,834	-	1,834
Motor Vehicle Tax	10,412	10,185	10,105	80
Special Tax Assessment	26,283	24,958	25,000	(42)
GO Refunding Bond Proceeds	395,000	-	-	-
Interest	229	133	500	(367)
Total Cash Receipts	471,770	73,285	73,349	(64)
Expenditures				
Principal	55,000	65,000	55,000	10,000
Interest	20,830	8,750	18,355	(9,605)
Commissions and Fees	12,436	-	8	(8)
Transfer to Escrow Agent	380,000	-	-	-
Cash Basis Reserve	-	-	31,100	(31,100)
Total Expenditures	468,266	73,750	104,463	(30,713)
Cash Receipts Over (Under) Expenditures	3,504	(465)		
Unencumbered Cash - Beginning	69,001	72,505		
Unencumbered Cash - Ending	\$ 72,505	72,040		

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

CITY OF ELLINWOOD, KANSAS

Electric 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				
Sales to Customers	\$ 2,015,583	2,025,325	1,924,700	100,625
Wholesale Electric Charges	28,173	56,758	24,000	32,758
Connection Fees	2,385	4,249	3,000	1,249
Disconnect and Service Charges	11,894	5,895	4,500	1,395
Penalties	16,321	17,162	15,000	2,162
Other Income	2,019	4,970	-	4,970
Rental Fees	-	874	800	74
Certificate of Participation Refunding Proceeds	660,000	-	-	-
Interest	489	298	1,200	(902)
Total Cash Receipts	2,736,864	2,115,531	1,973,200	142,331
Expenditures				
Production	1,295,667	1,366,024	1,614,027	(248,003)
Distribution	206,669	203,921	212,591	(8,670)
Administration	239,848	244,116	195,552	48,564
Debt Service	783,800	122,344	124,829	(2,485)
Transfers Out	194,929	175,390	199,000	(23,610)
Total Expenditures	2,720,913	2,111,795	2,345,999	(234,204)
Cash Receipts Over (Under) Expenditures	15,951	3,736		
Unencumbered Cash - Beginning	65,838	81,789		
Unencumbered Cash - Ending	\$ 81,789	85,525		

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

CITY OF ELLINWOOD, KANSAS
Electric Capital 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	\$ 1,804	984
Transfers In	63,286	63,593
Total Cash Receipts	65,090	64,577
Expenditures		
Electric System Improvements	27,324	95,327
Cash Receipts Over (Under) Expenditures	37,766	(30,750)
Unencumbered Cash - Beginning	622,043	659,809
Unencumbered Cash - Ending	\$ 659,809	629,059

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

CITY OF ELLINWOOD, KANSAS
Solid Waste 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 (Under)
		Actual	Budget	
Cash Receipts				
Solid Waste Charges	\$ 182,637	182,258	182,400	(142)
Other Income	1,855	1,895	-	1,895
Interest	52	33	200	(167)
Total Cash Receipts	<u>184,544</u>	<u>184,186</u>	<u>182,600</u>	<u>1,586</u>
Expenditures				
Personnel Services	90,447	86,819	90,765	(3,946)
Contractual Services	55,355	54,364	58,207	(3,843)
Commodities	17,509	22,221	18,175	4,046
Capital Outlay	949	3,221	4,000	(779)
Principal Payments	10,630	13,316	13,310	6
Interest Payments	1,971	1,806	1,811	(5)
Transfers Out	5,400	7,200	32,500	(25,300)
Total Expenditures	<u>182,261</u>	<u>188,947</u>	<u>218,768</u>	<u>(29,821)</u>
Cash Receipts Over (Under) Expenditures	2,283	(4,761)		
Unencumbered Cash - Beginning	<u>21,629</u>	<u>23,912</u>		
Unencumbered Cash - Ending	\$ <u><u>23,912</u></u>	\$ <u><u>19,151</u></u>		

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

CITY OF ELLINWOOD, KANSAS

Water 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 (Under)
		Actual	Budget	
Cash Receipts				
Sales to Customers	\$ 213,779	279,311	216,200	63,111
Connection Fees	1,610	1,840	1,200	640
Miscellaneous Charges	26	-	-	-
Rental Fees	-	13,953	-	13,953
Water Tank Sales	3,410	12,940	2,400	10,540
Interest	180	89	600	(511)
Total Cash Receipts	<u>219,005</u>	<u>308,133</u>	<u>220,400</u>	<u>87,733</u>
Expenditures				
Production and Maintenance	238,511	259,153	243,720	15,433
Transfers Out	-	50,000	75,000	(25,000)
Total Expenditures	<u>238,511</u>	<u>309,153</u>	<u>318,720</u>	<u>(9,567)</u>
Cash Receipts Over (Under) Expenditures	(19,506)	(1,020)		
Unencumbered Cash - Beginning	<u>90,698</u>	<u>71,192</u>		
Unencumbered Cash - Ending	\$ <u>71,192</u>	<u>70,172</u>		

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

CITY OF ELLINWOOD, KANSAS
Water Capital 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	\$ 71	35
Fees	26,946	-
Total Cash Receipts	27,017	35
Expenditures		
Water System Improvements	22,998	17,231
Cash Receipts Over (Under) Expenditures	4,019	(17,196)
Unencumbered Cash - Beginning	24,413	28,432
Unencumbered Cash - Ending	\$ 28,432	11,236

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

CITY OF ELLINWOOD, KANSAS
Wastewater 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				
Sewer Service Charges	\$ 213,969	212,918	227,400	(14,482)
Other Income	129	89	300	(211)
Interest	62	29	200	(171)
Total Cash Receipts	<u>214,160</u>	<u>213,036</u>	<u>227,900</u>	<u>(14,864)</u>
Expenditures				
Personnel Services	46,205	40,570	62,195	(21,625)
Contractual Services	23,741	23,167	36,873	(13,706)
Commodities	10,170	13,220	15,185	(1,965)
Capital Outlay	-	-	30,000	(30,000)
Principal Payments	105,658	109,474	109,474	-
Interest Payments	31,103	27,553	27,553	-
Commissions and Fees	2,335	2,069	2,069	-
Total Expenditures	<u>219,212</u>	<u>216,053</u>	<u>283,349</u>	<u>(67,296)</u>
Cash Receipts Over (Under) Expenditures	(5,052)	(3,017)		
Unencumbered Cash - Beginning	<u>53,837</u>	<u>48,785</u>		
Unencumbered Cash - Ending	\$ <u><u>48,785</u></u>	\$ <u><u>45,768</u></u>		

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

CITY OF ELLINWOOD, KANSAS
Ambulance Contribution 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				
Contributions	\$ 1,345	3,058	1,000	2,058
Interest	32	14	30	(16)
Total Cash Receipts	1,377	3,072	1,030	2,042
Expenditures				
Capital Outlay	-	8,859	14,000	(5,141)
Cash Receipts Over (Under) Expenditures	1,377	(5,787)		
Unencumbered Cash - Beginning	13,299	14,676		
Unencumbered Cash - Ending	\$ 14,676	8,889		

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

CITY OF ELLINWOOD, KANSAS
Prairie Enterprise 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	\$ 7,198	17,355
Other Income	28,447	32,655
Interest	178	72
Total Cash Receipts	<u>35,823</u>	<u>50,082</u>
Expenditures		
Personnel Services	47,658	48,439
Contractual Services	5,387	4,504
Commodities	272	576
Capital Outlay	-	1,000
Total Expenditures	<u>53,317</u>	<u>54,519</u>
Cash Receipts Over (Under) Expenditures	(17,494)	(4,437)
Unencumbered Cash - Beginning	<u>70,543</u>	<u>53,049</u>
Unencumbered Cash - Ending	<u>\$ 53,049</u>	<u>48,612</u>

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

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

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Payroll Clearing Fund	\$ <u>236</u>	<u>2,859,959</u>	<u>2,860,195</u>	<u>-</u>

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Ellinwood, 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 an elected Mayor and five-member council. The financial statements of the City consist of all the funds of the City that are considered to be controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

The following is a component unit of **City of Ellinwood, Kansas**. The City exercises significant influence or accountability based primarily on operational or financial relationships with the City. The component unit is not included in the City's financial statements.

Ellinwood Community Foundation

The Foundation shall be managed by the Board of Directors elected by the City Council and Mayor of the City. The Mayor of the City shall serve as President. The President and City Council shall appoint the remaining officers. The Foundation is a nonprofit organization organized in the State of Kansas to provide charitable, educational and other purposes that engage in programs and activities primarily benefiting the residents of the City. Contact the City office for financial statements.

The City is the primary government as defined in GASB #14 and further amended by GASB #39. The City Council is elected by the public. The Council has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

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 is 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 reported in another fund.

CITY OF ELLINWOOD, KANSAS

Notes to Financial Statements

December 31, 2011

NOTE 1– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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 Funds – 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 requirement 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, 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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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: Capital Improvement Fund and Drug Assessment 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.

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

CITY OF ELLINWOOD, KANSAS

Notes to Financial Statements

December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 K.S.A. 9-1405.

Custodial Credit Risk – Deposits

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

At December 31, 2011, the City's carrying amount of deposits was \$1,611,224 and the bank balance was \$1,621,168. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$511,544 was covered by federal depository insurance and \$1,109,624 was collateralized with securities held by pledging financial institutions' agents in the City's name.

Custodial Credit Risk – Investments

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

Compensated Absences

Vacation

The City's policy regarding vacation is that an employee will accrue one vacation day for each full month of service for the first 10 years of full-time employment. After 10 years, one and a half days per month vacation is allowed. After 20 years, two days per month vacation is allowed. Each employee is allowed to carry over from one year to the next, half of one year leave. Upon termination of employment, earned but unused vacation will be paid to the employee subject to the maximum accrual limits.

Sick Leave

The policy regarding sick leave is that all full-time employees are entitled to accrue one sick day per month up to a maximum of 60 days. This may be carried forward from one year to the next; however, upon termination of employment, no benefits will be paid out.

Comp Time

Employees earn comp time at the rate of time and a half for every hour over 40 hours worked during a week. Employees have the option of taking time off or receiving payment for the hours earned. Employees can carry over 32 hours of comp time to the succeeding year and upon termination of employment, any unused comp time will be paid.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City has not accrued a liability for compensated absences which have been earned but not taken by the employees. A potential liability for accumulated vacation, sick leave and personal leave is shown on the schedule of long-term debt.

Defined Benefit Pension Plan

Plan Description

The City contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 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 rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established for calendar year 2011 was 7.74%. The City's employer contributions to KPERS for the years ending December 31, 2011, 2010 and 2009 were \$83,770, \$75,702, and \$68,812, 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 such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the trust and agency funds of the City for special purposes.

CITY OF ELLINWOOD, 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 – 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 Ellinwood, Kansas'** interfund transfers and statutory authority for the year ended December 31, 2011 were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Special Highway Fund	K.S.A. 12-1,119	\$ 81,000
General Fund	Fire-Ambulance Equipment Fund	K.S.A. 12-110d	12,000
General Fund	Special Highway Fund	K.S.A. 12-1,119	42,974
General Fund	Capital Improvement Fund	K.S.A. 12-1,118	30,000
General Fund	Payroll Clearing Fund	Council Approved	358
Electric Fund	General Fund	K.S.A. 12-825d	50,000
Electric Fund	Electric Capital Reserve Fund	K.S.A. 12-825d	63,593
Electric Fund	Economic Development Fund	K.S.A. 12-825d	31,797
Electric Fund	Special Highway Fund	K.S.A. 12-825d	30,000
Solid Waste Fund	Capital Improvement Fund	K.S.A. 12-1,118	7,200
Water Fund	General Fund	K.S.A. 12-825d	35,000
Water Fund	Capital Improvement Fund	K.S.A. 12-1,118	15,000

NOTE 3 – LITIGATION

City of Ellinwood, 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 4 – RISK MANAGEMENT

City of Ellinwood, Kansas carries commercial insurance for risks of loss, including property, general liability, inland marine, workers' compensation, automobile, umbrella, linebacker, airport, professional ambulance, commercial output building, employee dishonesty and surety bond coverage. The City has elected to obtain comprehensive and collision coverage on all City owned motor vehicles. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 5 – GRANTS AND SHARED REVENUES

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

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

NOTE 6 – 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 Ellinwood, 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 7 – LONG-TERM DEBT

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

General Obligation Bonds

The City entered into a bond agreement in 2001 to finance the improvement of streets and sewer at various locations around the City for a total amount of \$774,000.

On July 28, 2010, the City issued Series A general obligation refunding bonds of \$395,000 (par value) with an interest rate of 1.00% – 3.00% to advance refund \$380,000 of the Series A 2001 general obligation term bonds. The Series A refunding bonds mature on September 1, 2016, and are callable on September 1, 2015. After paying issuance costs of \$15,000, the net proceeds were \$380,000. The proceeds from the issuance of the general obligation bonds were used to purchase U.S. Government Securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until terms bonds are called. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the City's financial statements. As a result of the advance refunding, the economic gain to the City (difference between the present value of the debt service payments on the old and new debt) was \$19,650.

Certificates of Participation

The City issued a \$1,300,000 certificate of participation agreement on April 15, 2001 with UMB Bank, N.A. as the lessor of an electrical interconnect and service facility project.

On July 28, 2010, the City issued Series 2010 Certificates of Participation of \$660,000 (par value) with an interest rate of 1.20% – 3.25% to advance refund \$645,000 of the Series 2001 certificates of participation. The Series 2010 refunding certificates mature on September 1, 2016, and is callable on September 1, 2015. After paying issuance costs of \$15,000, the net proceeds were \$645,000. The net proceeds from the issuance of the certificates were used to purchase refunding certificates and were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the certificates are called. The advance refunding met the requirements of an in-substance debt defeasance and the term certificates were removed from the City's financial statements. As a result of the advance refunding, the economic gain to the City (difference between the present value of the debt service payments on the old and new debt) was \$27,410.

KDHE Revolving Loan

The City enacted a \$1,985,676 revolving loan agreement on October 4, 1995 with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to fund costs of acquiring, constructing, improving, repairing, rehabilitating or extending municipal wastewater treatment projects. The City is providing funds through wastewater fees.

Lease Obligations - The City has entered into a lease agreement with an option to purchase at the expiration of the lease term. The lease contains a fiscal funding clause.

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

NOTE 7 – 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										
Series 2010 Refunding	1.00-3.00%	7/28/2010	\$ 395,000	9/1/2016	\$ 395,000	-	65,000		330,000	8,750
Certificate of Participation										
Series 2010 Refunding	1.20-3.25%	7/28/2010	660,000	4/1/2016	660,000	-	105,000		555,000	16,822
KDHE Loan										
Project No C20-0948-02	3.33%	10/1995	1,985,676	9/1/2017	854,544	-	109,474		745,070	27,553
Capital Lease Payable										
Trash Truck	4.66%	2/17/2010	55,000	2/20/2014	44,370	-	13,315		31,055	1,806
Total Contractual Indebtedness					1,953,914	-	292,789		1,661,125	54,931
Compensated Absences					52,699			(3,047)	49,652	
Total Long-Term Debt					<u>\$ 2,006,613</u>	<u>-</u>	<u>292,789</u>	<u>(3,047)</u>	<u>1,710,777</u>	<u>54,931</u>

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

NOTE 7 – 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	
Principal							
General Obligation Bonds	\$ 65,000	65,000	65,000	65,000	70,000	-	330,000
Certificate of Participation	105,000	110,000	110,000	115,000	115,000	-	55,000
KDHE Loan	113,429	117,526	121,771	126,169	130,727	135,448	745,070
Capital Lease Payable	13,949	14,626	2,480	-	-	-	31,055
Total Principal	<u>297,378</u>	<u>307,152</u>	<u>299,251</u>	<u>306,169</u>	<u>315,727</u>	<u>135,448</u>	<u>1,661,125</u>
Interest							
General Obligation Bond	7,365	6,455	5,285	3,855	2,100	-	25,060
Certificate of Participation	12,754	10,814	8,394	5,405	1,869	-	39,236
KDHE Loan	25,667	21,570	17,325	12,024	7,785	3,393	87,764
Capital Lease Payable	1,172	495	15	-	-	-	1,682
Total Interest	<u>46,958</u>	<u>39,334</u>	<u>31,019</u>	<u>21,284</u>	<u>11,754</u>	<u>3,393</u>	<u>153,742</u>
Total Principal and Interest	<u>\$ 344,336</u>	<u>346,486</u>	<u>330,270</u>	<u>327,453</u>	<u>327,481</u>	<u>138,841</u>	<u>1,814,867</u>