

CITY OF PARK CITY, KANSAS

Primary Government Financial Statements
With Independent Auditors' Report

For the Year Ended December 31, 2011

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

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INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Park City, Kansas
Park City, Kansas

We have audited the accompanying primary government financial statements of **City of Park City, 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 Park City, 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 referred to previously include only the primary government of **City of Park City, Kansas**, which consist of all funds, organizations, institutions, agencies, departments, and offices that comprise the City's legal entity. The financial statements do not include financial data for the City's legally separate component unit, Park City Community Public Library, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the City's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of **City of Park City, Kansas**, as of December 31, 2011, and the changes in its financial position or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with accounting principals generally accepted in the United States of America, **City of Park City, Kansas** will be issuing separate reporting entity financial statements.

As described more fully in Note 1, **City of Park City, 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 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 Park City, Kansas**, as of December 31, 2011, or the changes in its financial position for the year then ended.

City of Park City, Kansas

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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 Park City, 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

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

July 10, 2012

CITY OF PARK CITY, 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	\$ 1,304,684	61,129	4,195,937	4,158,491	1,403,259	361,685	1,764,944
Special Revenue Funds							
Library Employee Benefits Fund	-	-	18,944	18,944	-	599	599
Library Fund	-	-	183,192	183,192	-	-	-
Capital Equipment Fund	173,195	-	39,084	93,205	119,074	-	119,074
Capital Improvement Fund	166,029	20,302	326,078	223,853	288,556	6,850	295,406
Tri-City Senior Director Fund	(2,113)	-	2,113	-	-	-	-
Employee Benefit Fund	402,699	740	-	403,439	-	-	-
Special Highway Fund	176,024	364	326,496	348,698	154,186	271,220	425,406
Special Parks and Recreation Fund	22,103	-	13,299	-	35,402	988	36,390
Alcohol and Drug Fund	39,937	-	13,299	800	52,436	-	52,436
Police and Court Training Fund	22,480	-	19,306	14,711	27,075	709	27,784
Convention and Tourism Fund	484,643	915	235,078	215,888	504,748	25,359	530,107
Law Enforcement Trust Fund	5,559	-	92	3,111	2,540	-	2,540
Police Grant Fund	2,862	-	-	-	2,862	-	2,862
FESA Police Trust Fund	15,606	-	-	-	15,606	-	15,606
Wildlife and Parks 2005 Grant Fund	1,160	-	1,030	840	1,350	-	1,350
Ballfield Lights Fund	1,802	-	6,511	6,565	1,748	-	1,748
Debt Service Fund							
Bond and Interest Fund	514,737	-	3,683,659	3,048,007	1,150,389	90,879	1,241,268
Capital Project Funds							
Capital Projects Fund	-	-	3,388,929	2,874,982	513,947	-	513,947
Special Bridge Construction Fund	492,545	-	-	492,545	-	-	-
Water Tower/Main Improvements Fund	99,578	-	-	99,578	-	-	-
Maintenance Building Fund	35,407	-	-	35,407	-	-	-
CCUA Headworks Fund	1,012,975	-	-	1,012,975	-	-	-
Library Building Fund	416,300	-	-	416,300	-	-	-
High Ridge 2nd Addition Phase 2A Fund	181,706	-	-	181,706	-	-	-
Cambridge Valley Phase 1 Fund	323,792	-	-	323,792	-	-	-

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

CITY OF PARK CITY, 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
Proprietary Fund Category							
Enterprise Funds							
Utility Fund	\$ -	-	3,173,509	3,023,120	150,389	122,534	272,923
Utility CIP/CEP/Improvement Fund	-	-	963,619	298,734	664,885	-	664,885
Utility Operating Reserve Fund	-	-	436,139	-	436,139	-	436,139
Utility Depreciation Fund	-	-	100,000	-	100,000	-	100,000
Utility Surplus Fund	-	-	2,821,482	197,912	2,623,570	-	2,623,570
Water Operations and Maintenance Fund	114,823	-	-	114,823	-	-	-
Water CIP/CEF Fund	22,400	-	-	22,400	-	-	-
Customer Deposit Fund	-	-	-	-	-	101,911	101,911
Water Operating Reserve Fund	200,000	-	-	200,000	-	-	-
Water Utility Emergency Fund	50,000	-	-	50,000	-	-	-
MTBE Surplus Fund	3,327,714	-	490,890	837,450	2,981,154	-	2,981,154
Water Improvement Fund	302,167	-	-	302,167	-	-	-
Water Surplus Fund	1,274,842	-	-	1,274,842	-	-	-
Water Plant Equity Fund	132,650	-	-	132,650	-	-	-
Sewer Operations and Maintenance Fund	68,737	-	-	68,737	-	-	-
Sewer CIP/CEF Fund	26,850	-	-	26,850	-	-	-
Sewer Operating Reserve Fund	170,000	-	-	170,000	-	-	-
Sewer Depreciation Reserve Fund	50,000	-	-	50,000	-	-	-
Sewer Improvement Reserve Fund	321,082	-	-	321,082	-	-	-
Sewer Surplus Fund	1,126,640	-	-	1,126,640	-	-	-
Sewer Plant Equity Fund	118,470	-	-	118,470	-	-	-
Solid Waste Utility Fund	32,283	-	-	32,283	-	-	-
CCUA Water/Sewer Fund	471	-	272,146	272,590	27	6,011	6,038
Fiduciary Fund Category							
Private Purpose Trust Funds							
Special Expendable Trust Fund	3,066	-	1,424	240	4,250	-	4,250
Flexible Spending Fund	5,055	-	29,760	28,705	6,110	-	6,110
Bond Proceeds Clearing Fund	34,352	-	-	34,352	-	-	-
Cash Bond Fund	-	-	-	-	-	2,400	2,400
Total Primary Government	\$ 13,275,312	83,450	20,742,016	22,861,076	11,239,702	991,145	12,230,847
				Composition of Cash			
				Checking Accounts			\$ 21,716
				Investment in Temporary Notes			440,000
				Money Market Accounts			11,769,131
				Total Primary Government			\$ 12,230,847

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

CITY OF PARK CITY, 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	\$ 4,431,817	-	4,431,817	4,158,491	(273,326)
Special Revenue Funds					
Library Employee Benefits Fund	27,000	-	27,000	18,944	(8,056)
Library Fund	223,000	-	223,000	183,192	(39,808)
Employee Benefit Fund	-	-	-	403,439	403,439 *
Special Highway Fund	597,894	-	597,894	348,698	(249,196)
Special Parks and Recreation Fund	18,000	-	18,000	-	(18,000)
Alcohol and Drug Fund	34,500	-	34,500	800	(33,700)
Police and Court Training Fund	76,000	-	76,000	14,711	(61,289)
Convention and Tourism Fund	706,000	-	706,000	215,888	(490,112)
Ballfield Lights Fund	7,565	-	7,565	6,565	(1,000)
Debt Service Funds					
Bond and Interest Fund	3,366,103	-	3,366,103	3,048,007	(318,096)
Proprietary Fund Category					
Enterprise Funds					
Utility Fund	3,371,090	-	3,371,090	3,023,120	(347,970)
Utility CIP/CEP/Improvement Fund	-	-	-	298,734	298,734 *
Water Operations and Maintenance Fund	-	-	-	114,823	114,823 *
Water Improvement Fund	187,000	-	187,000	302,167	115,167 *
Water Plant Equity Fund	100,000	-	100,000	132,650	32,650 *
Sewer Operations and Maintenance Fund	-	-	-	68,737	68,737 *
Sewer Improvement Reserve Fund	270,000	-	270,000	321,082	51,082 *
Sewer Plant Equity Fund	60,000	-	60,000	118,470	58,470 *
Solid Waste Utility Fund	-	-	-	32,283	32,283 *

* See Note 8 for explanation of budget violations.

CITY OF PARK CITY, 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	\$ 872,306	1,488,634	1,482,688	5,946
Intergovernmental	4,247	35,580	35,000	580
Local Retail Sales Tax	1,024,597	1,033,038	969,137	63,901
Fines and Court Costs	238,653	234,719	216,500	18,219
Charges for Service	26,136	27,880	16,500	11,380
Interest	12,214	5,321	18,000	(12,679)
Franchise Fees	517,185	523,553	441,214	82,339
Licenses and Permits	122,841	178,906	119,359	59,547
Proceeds from Sale of Land	-	201,153	-	201,153
Miscellaneous	167,413	57,219	57,762	(543)
Transfers In	-	409,934	277,147	132,787
Total Cash Receipts	<u>2,985,592</u>	<u>4,195,937</u>	<u>3,633,307</u>	<u>562,630</u>
Expenditures				
General Administration	429,970	512,723	619,893	(107,170)
Municipal Court	139,485	181,145	194,072	(12,927)
Governing Body	177,922	165,691	256,030	(90,339)
Human Resources	58,349	83,571	87,097	(3,526)
Police	1,160,979	1,619,539	1,782,341	(162,802)
Compliance	165,372	235,828	253,317	(17,489)
Legal	44,206	51,246	65,645	(14,399)
Planning and Zoning	46,166	58,378	76,067	(17,689)
Senior Center	18,099	76,236	69,939	6,297
Street Lights	62,629	59,893	76,250	(16,357)
Parks and Recreation	220,923	287,810	329,788	(41,978)
Park Board	24,159	11,488	25,500	(14,012)
Swimming Pool	65,619	71,941	85,214	(13,273)
Community Building	7,262	3,333	6,240	(2,907)
Streets	327,575	409,144	401,095	8,049
Maintenance	45,321	70,670	85,000	(14,330)
Historian	200	130	500	(370)
Pride Community Building	4,542	3,689	4,729	(1,040)
Transfers Out	69,880	256,036	13,100	242,936
Total Expenditures	<u>3,068,658</u>	<u>4,158,491</u>	<u>4,431,817</u>	<u>(273,326)</u>
Cash Receipts Over (Under) Expenditures	(83,066)	37,446		
Unencumbered Cash - Beginning	1,304,684	1,304,684		
Prior Year Cancelled Encumbrances	<u>83,066</u>	<u>61,129</u>		
Unencumbered Cash - Ending	<u>\$ 1,304,684</u>	<u>1,403,259</u>		

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

CITY OF PARK CITY, 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	\$ 27,480	9,649	9,000	649
Reimbursements	7,419	9,295	18,000	(8,705)
Total Cash Receipts	<u>34,899</u>	<u>18,944</u>	<u>27,000</u>	<u>(8,056)</u>
Expenditures				
Medical Insurance	10,152	9,295	18,000	(8,705)
Remittance to Library Board	27,481	9,649	9,000	649
Total Expenditures	<u>37,633</u>	<u>18,944</u>	<u>27,000</u>	<u>(8,056)</u>
Cash Receipts Over (Under) Expenditures	(2,734)	-		
Unencumbered Cash - Beginning	<u>2,734</u>	-		
Unencumbered Cash - Ending	\$ <u>-</u>	<u>-</u>		

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

CITY OF PARK CITY, 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	\$ 178,039	182,966	208,000	(25,034)
Reimbursements	214	226	15,000	(14,774)
Total Cash Receipts	<u>178,253</u>	<u>183,192</u>	<u>223,000</u>	<u>(39,808)</u>
Expenditures				
Remittance to Library Board	178,040	182,966	208,000	(25,034)
Janitor and Miscellaneous	214	226	15,000	(14,774)
Total Expenditures	<u>178,254</u>	<u>183,192</u>	<u>223,000</u>	<u>(39,808)</u>
Cash Receipts Over (Under) Expenditures	(1)	-		
Unencumbered Cash - Beginning	<u>1</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 PARK CITY, KANSAS
Capital Equipment 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	\$ 408	152
Transfers In	108,980	38,932
Total Cash Receipts	109,388	39,084
Expenditures		
Capital Outlay	20,983	93,205
Cash Receipts Over (Under) Expenditures	88,405	(54,121)
Unencumbered Cash - Beginning	84,790	173,195
Unencumbered Cash - Ending	\$ 173,195	119,074

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

CITY OF PARK CITY, 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	\$ 983	192
Transfers In	193,705	325,886
Total Cash Receipts	<u>194,688</u>	<u>326,078</u>
Expenditures		
Capital Outlay	50,000	174,112
Commercial Event Sign	149,624	-
BMX Bike Track	3,000	49,741
City Drainage	29,600	-
Lease Purchase - Buildings	8,600	-
Transfers Out	10,681	-
Total Expenditures	<u>251,505</u>	<u>223,853</u>
Cash Receipts Over (Under) Expenditures	(56,817)	102,225
Unencumbered Cash - Beginning	222,846	166,029
Prior Year Cancelled Encumbrances	-	20,302
Unencumbered Cash - Ending	<u>\$ 166,029</u>	<u>288,556</u>

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

CITY OF PARK CITY, KANSAS
Tri-City Senior Director 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				
Sedgwick County Dept. of Aging	\$ 30,753	-	-	-
City of Bel Aire	2,500	-	-	-
City of Maize	2,500	-	-	-
Transfers In	2,500	2,113	-	2,113
Reimbursements	648	-	-	-
Total Cash Receipts	38,901	2,113	-	2,113
Expenditures				
Salaries	33,501	-	-	-
Employee Benefits	4,873	-	-	-
Training	1,067	-	-	-
Telephone	382	-	-	-
Mileage and Meal Reimbursements	947	-	-	-
Office Supplies	859	-	-	-
Computer	579	-	-	-
Miscellaneous	41	-	-	-
Total Expenditures	42,249	-	-	-
Cash Receipts Over (Under) Expenditures	(3,348)	2,113		
Unencumbered Cash - Beginning	1,235	(2,113)		
Unencumbered Cash - Ending	\$ (2,113)	-		

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

CITY OF PARK CITY, 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	\$ 906,163	-	-	-
Expenditures				
Social Security and Medicare	155,134	-	-	-
Health Insurance	511,854	-	-	-
KPERS and KP&F	175,967	-	-	-
Unemployment	3,016	-	-	-
Workers Compensation	38,636	-	-	-
Flexible Spending	1,949	-	-	-
Transfers Out	-	403,439	-	(403,439)
Total Expenditures	886,556	403,439	-	(403,439)
Cash Receipts Over (Under) Expenditures	19,607	(403,439)		
Unencumbered Cash - Beginning	383,092	402,699		
Prior Year Cancelled Encumbrances	-	740		
Unencumbered Cash - Ending	\$ 402,699	-		

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

CITY OF PARK CITY, 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				
County Payments	\$ 99,957	91,133	99,140	(8,007)
State Payments	212,441	199,956	210,980	(11,024)
Transfers In	-	35,407	-	35,407
Total Cash Receipts	<u>312,398</u>	<u>326,496</u>	<u>310,120</u>	<u>16,376</u>
Expenditures				
Contracted Services	18,133	4,547	100,000	(95,453)
Capital Outlay	390,872	311,885	450,256	(138,371)
Salaries	970	26,694	47,638	(20,944)
Employee Benefits	-	5,554	-	5,554
Miscellaneous	344	18	-	18
Total Expenditures	<u>410,319</u>	<u>348,698</u>	<u>597,894</u>	<u>(249,196)</u>
Cash Receipts Over (Under) Expenditures	(97,921)	(22,202)		
Unencumbered Cash - Beginning	266,670	176,024		
Prior Year Cancelled Encumbrances	<u>7,275</u>	<u>364</u>		
Unencumbered Cash - Ending	\$ <u>176,024</u>	<u>154,186</u>		

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

CITY OF PARK CITY, 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	\$ 14,289	13,299	9,137	4,162
Expenditures				
Capital Outlay	4,634	-	18,000	(18,000)
Cash Receipts Over (Under) Expenditures	9,655	13,299		
Unencumbered Cash - Beginning	12,448	22,103		
Unencumbered Cash - Ending	\$ 22,103	35,402		

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

CITY OF PARK CITY, KANSAS
Alcohol and Drug 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	\$ 14,288	13,299	9,137	4,162
Expenditures				
Promotional Expenses	500	-	-	-
Prevention Education	350	800	32,500	(31,700)
Supplies	-	-	2,000	(2,000)
Total Expenditures	850	800	34,500	(33,700)
Cash Receipts Over (Under) Expenditures	13,438	12,499		
Unencumbered Cash - Beginning	26,499	39,937		
Unencumbered Cash - Ending	\$ 39,937	52,436		

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

CITY OF PARK CITY, KANSAS
Police and Court Training 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				
Court Fees	\$ 19,259	19,306	20,000	(694)
Expenditures				
Police and Court Training	19,043	14,351	44,000	(29,649)
Code Enforcement Training	-	360	32,000	(31,640)
Total Expenditures	19,043	14,711	76,000	(61,289)
Cash Receipts Over (Under) Expenditures	216	4,595		
Unencumbered Cash - Beginning	22,264	22,480		
Unencumbered Cash - Ending	\$ 22,480	27,075		

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

CITY OF PARK CITY, KANSAS
Convention and Tourism 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				
Transient Guest Tax	\$ 227,346	235,078	270,000	(34,922)
Expenditures				
Salaries	330	402	800	(398)
Mileage Reimbursement	-	-	500	(500)
Office Supplies	133	157	200	(43)
Internet	1,428	1,309	4,500	(3,191)
Miscellaneous	1,008	383	453,500	(453,117)
City Events and Promotion	100,465	97,920	76,000	21,920
Coliseum Events and Promotion	16,000	19,900	90,500	(70,600)
General Promotions	35,850	24,335	20,000	4,335
Professional Sports	37,450	58,982	60,000	(1,018)
Sports Commission	12,500	12,500	-	12,500
Total Expenditures	205,164	215,888	706,000	(490,112)
Cash Receipts Over (Under) Expenditures	22,182	19,190		
Unencumbered Cash - Beginning	462,461	484,643		
Prior Year Cancelled Encumbrances	-	915		
Unencumbered Cash - Ending	\$ 484,643	504,748		

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

CITY OF PARK CITY, KANSAS
Law Enforcement Trust 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	\$ 12	4
Drug Tax Revenue	2,917	88
Total Cash Receipts	<u>2,929</u>	<u>92</u>
Expenditures		
Capital Outlay	-	2,970
Miscellaneous	-	141
Total Expenditures	<u>-</u>	<u>3,111</u>
Cash Receipts Over (Under) Expenditures	2,929	(3,019)
Unencumbered Cash - Beginning	<u>2,630</u>	<u>5,559</u>
Unencumbered Cash - Ending	<u>\$ 5,559</u>	<u>2,540</u>

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

CITY OF PARK CITY, KANSAS
Police 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		
Donations	\$ -	-
Expenditures		
Miscellaneous	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	<u>2,862</u>	<u>2,862</u>
Unencumbered Cash - Ending	<u>\$ 2,862</u>	<u>2,862</u>

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

CITY OF PARK CITY, KANSAS
FESA Police Trust 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		
FESA Forfeiture Actions	\$ 626	-
Expenditures		
Equipment	-	-
Cash Receipts Over (Under) Expenditures	626	-
Unencumbered Cash - Beginning	14,980	15,606
Unencumbered Cash - Ending	\$ 15,606	15,606

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

CITY OF PARK CITY, KANSAS
Wildlife and Parks 2005 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		
Grant Contribution Revenue	\$ 1,030	1,030
Expenditures		
Miscellaneous	840	840
Cash Receipts Over (Under) Expenditures	190	190
Unencumbered Cash - Beginning	970	1,160
Unencumbered Cash - Ending	\$ 1,160	1,350

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

CITY OF PARK CITY, KANSAS
Ballfield Lights 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	\$ 7,282	6,511	6,512	(1)
Expenditures				
Transfers Out	6,730	6,565	6,565	-
Cash Basis Reserve	-	-	1,000	(1,000)
Total Expenditures	6,730	6,565	7,565	(1,000)
Cash Receipts Over (Under) Expenditures	552	(54)		
Unencumbered Cash - Beginning	1,250	1,802		
Unencumbered Cash - Ending	\$ 1,802	1,748		

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

CITY OF PARK CITY, 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	\$ 231,391	592,340	612,945	(20,605)
Transfers In	176,516	561,301	179,672	381,629
Special Assessments	2,000,726	2,437,216	2,216,142	221,074
Reimbursement for 2006-A GO Bonds	187,900	90,575	92,825	(2,250)
Bond Proceeds	1,008,165	-	-	-
Interest	5,864	2,227	2,000	227
Miscellaneous	20,218	-	-	-
Total Cash Receipts	<u>3,630,780</u>	<u>3,683,659</u>	<u>3,103,584</u>	<u>580,075</u>
Expenditures				
Bond Interest	1,333,848	1,358,007	1,366,015	(8,008)
Bond Principal	2,285,000	1,690,000	1,650,000	40,000
Miscellaneous	52	-	-	-
Cash Basis Reserve	-	-	350,088	(350,088)
Total Expenditures	<u>3,618,900</u>	<u>3,048,007</u>	<u>3,366,103</u>	<u>(318,096)</u>
Cash Receipts Over (Under) Expenditures	11,880	635,652		
Unencumbered Cash - Beginning	<u>502,857</u>	<u>514,737</u>		
Unencumbered Cash - Ending	<u>\$ 514,737</u>	<u>1,150,389</u>		

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

CITY OF PARK CITY, KANSAS
Capital Projects 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	\$ -	719
Transfers In	-	3,323,210
Temporary Note Proceeds	-	65,000
Total Cash Receipts	-	3,388,929
Expenditures		
Contracted Services	-	2,165,251
Interest Expense	-	8,935
Cost of Issue	-	15,875
Capital Outlay	-	2,436
Transfers Out	-	643,461
Miscellaneous	-	39,024
Total Expenditures	-	2,874,982
Cash Receipts Over (Under) Expenditures	-	513,947
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	513,947

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

CITY OF PARK CITY, KANSAS
Special Bridge Construction 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		
Transfers Out	260	492,545
Total Expenditures	260	492,545
Cash Receipts Over (Under) Expenditures	(260)	(492,545)
Unencumbered Cash - Beginning	492,805	492,545
Unencumbered Cash - Ending	\$ 492,545	-

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

CITY OF PARK CITY, KANSAS
Water Tower/Main 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	\$ 445	-
Expenditures		
Contracted Services	87,997	-
Miscellaneous	2,839	-
Transfers Out	-	99,578
Total Expenditures	90,836	99,578
Cash Receipts Over (Under) Expenditures	(90,391)	(99,578)
Unencumbered Cash - Beginning	189,969	99,578
Unencumbered Cash - Ending	\$ 99,578	-

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

CITY OF PARK CITY, KANSAS
Maintenance Building 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		
Transfers Out	-	35,407
Cash Receipts Over (Under) Expenditures	-	(35,407)
Unencumbered Cash - Beginning	35,407	35,407
Unencumbered Cash - Ending	\$ 35,407	-

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

CITY OF PARK CITY, KANSAS
CCUA Headworks 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	\$ 6,148	-
Expenditures		
Contract Services	785,545	-
Engineering Fees	58,605	-
Transfers Out	-	1,012,975
Total Expenditures	844,150	1,012,975
Cash Receipts Over (Under) Expenditures	(838,002)	(1,012,975)
Unencumbered Cash - Beginning	1,850,977	1,012,975
Unencumbered Cash - Ending	\$ 1,012,975	-

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

CITY OF PARK CITY, KANSAS
Library Building 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	\$ 500,000	-
Expenditures		
Contract Services	21,700	-
Capital Outlay	62,000	-
Transfers Out	-	416,300
Total Expenditures	83,700	416,300
Cash Receipts Over (Under) Expenditures	416,300	(416,300)
Unencumbered Cash - Beginning	-	416,300
Unencumbered Cash - Ending	\$ 416,300	-

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

CITY OF PARK CITY, KANSAS
High Ridge Water Phase II 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		
Bond Proceeds	\$ 73,890	-
Interest	25	-
Cancelled Encumbrances	3,059	-
Total Cash Receipts	<u>76,974</u>	<u>-</u>
Expenditures		
Cost of Issuance	1,595	-
Bond Interest	3,682	-
Bond Principle	75,000	-
Miscellaneous Expenses	2,892	-
Total Expenditures	<u>83,169</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	(6,195)	-
Unencumbered Cash - Beginning	<u>6,195</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 PARK CITY, KANSAS
Sunny Slope Park Ponds 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	\$ 55	-
Expenditures		
Contract Services	18,561	-
Cash Receipts Over (Under) Expenditures	(18,506)	-
Unencumbered Cash - Beginning	18,506	-
Unencumbered Cash - Ending	\$ -	-

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

CITY OF PARK CITY, KANSAS
High Ridge 2nd Addition 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		
Bond Proceeds	\$ 553,593	-
Interest	71	-
Total Cash Receipts	<u>553,664</u>	<u>-</u>
Expenditures		
Contract Services	34,721	-
Interest	14,250	-
Miscellaneous Expense	23,381	-
Payments on Temporary Notes	475,000	-
Cost of Issuance	32,242	-
Total Expenditures	<u>579,594</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	(25,930)	-
Unencumbered Cash - Beginning	<u>25,930</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 PARK CITY, KANSAS
High Ridge 2nd Addition Phase 2A 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	\$ 375,000	-
Interest	146	-
Total Cash Receipts	<u>375,146</u>	<u>-</u>
Expenditures		
Contract Services	154,677	-
Engineering Fees	35,000	-
Cost of Issuance	3,763	-
Transfers Out	-	181,706
Total Expenditures	<u>193,440</u>	<u>181,706</u>
Cash Receipts Over (Under) Expenditures	181,706	(181,706)
Unencumbered Cash - Beginning	<u>-</u>	<u>181,706</u>
Unencumbered Cash - Ending	<u>\$ 181,706</u>	<u>-</u>

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

CITY OF PARK CITY, KANSAS
Cambridge Valley Phase 1 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	\$ 885,000	-
Interest	595	-
Total Cash Receipts	885,595	-
Expenditures		
Contract Services	481,255	-
Engineering Fees	51,200	-
Interest	3,624	-
Miscellaneous Expense	17,439	-
Cost of Issuance	8,285	-
Transfers Out	-	323,792
Total Expenditures	561,803	323,792
Cash Receipts Over (Under) Expenditures	323,792	(323,792)
Unencumbered Cash - Beginning	-	323,792
Unencumbered Cash - Ending	\$ 323,792	-

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

CITY OF PARK CITY, KANSAS
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				
Water Receipts				
Water Sales	\$ -	1,434,730	1,191,970	242,760
Late Fees	-	44,416	45,000	(584)
Hook-On and Reconnect Fees	-	20,378	24,800	(4,422)
Interest Income	-	2,372	7,500	(5,128)
Transfers In	-	114,823	200,000	(85,177)
Other Income	-	12,419	28,450	(16,031)
Total Water Receipts	-	1,629,138	1,497,720	131,418
Sewer Receipts				
Sewer Revenue	-	1,080,926	1,096,017	(15,091)
Other Revenue	-	2,043	3,800	(1,757)
Interest Income	-	2,505	4,000	(1,495)
Transfers In	-	68,737	200,000	(131,263)
Total Sewer Receipts	-	1,154,211	1,303,817	(149,606)
Solid Waste Receipts				
Recycle Revenue	-	105,933	120,000	(14,067)
Solid Waste Revenue	-	236,953	370,000	(133,047)
Transfers In	-	32,283	-	32,283
Miscellaneous Income	-	14,991	13,000	1,991
Total Solid Waste Receipts	-	390,160	503,000	(112,840)
Total Cash Receipts	-	3,173,509	3,304,537	(131,028)
Expenditures				
Water Expenditures				
Salaries	-	179,577	185,488	(5,911)
Employee Benefits	-	91,350	122,398	(31,048)
Training	-	145	1,000	(855)
Contracted Services	-	16,238	29,000	(12,762)
Utilities	-	14,041	15,500	(1,459)
Insurance	-	17,412	16,289	1,123
Repairs and Maintenance	-	9,341	27,000	(17,659)
CCUA Operations and Maintenance	-	287,306	273,116	14,190
CCUA Water Contingency Reserve	-	8,860	2,220	6,640
Clean Drinking Water Fee	-	9,199	7,000	2,199
Fuel	-	10,440	10,334	106
Supplies	-	43,921	63,000	(19,079)
Water Purchase	-	130,237	68,000	62,237
Capital Outlay	-	3,237	20,000	(16,763)
CCUA Debt Service	-	364,468	415,878	(51,410)
Shop Maintenance	-	34,231	25,556	8,675
Transfer Out	-	235,000	235,000	-
Other Expenses	-	8,313	10,520	(2,207)
Total Water Expenditures	-	1,463,316	1,527,299	(63,983)

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

CITY OF PARK CITY, KANSAS
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	
Expenditures (continued)				
Sewer Expenditures				
Salaries	-	65,028	77,014	(11,986)
Employee Benefits	-	38,182	44,948	(6,766)
Training	-	604	1,500	(896)
Contracted Services	-	58,037	31,000	27,037
Utilities	-	21,948	24,900	(2,952)
Insurance	-	7,402	6,460	942
Repairs and Maintenance	-	20,639	17,200	3,439
CCUA Operations	-	277,829	370,392	(92,563)
CCUA Contingency	-	7,304	3,000	4,304
Fuel	-	6,229	6,946	(717)
Supplies	-	6,855	4,500	2,355
CCUA Debt Service	-	292,270	312,168	(19,898)
Shop Maintenance	-	34,231	25,556	8,675
Transfers Out	-	384,602	388,107	(3,505)
Capital Outlay	-	-	12,000	(12,000)
Other Expenses	-	2,204	12,600	(10,396)
Total Sewer Expenditures	-	1,223,364	1,338,291	(114,927)
Solid Waste Expenditures				
SWast-Salaries	-	-	10,000	(10,000)
SWast-Contracted	-	335,362	493,500	(158,138)
SWast-Supplies	-	659	1,000	(341)
SWast-Other Expenses	-	419	1,000	(581)
Total Solid Waste Expenditures	-	336,440	505,500	(169,060)
Total Expenditures	-	3,023,120	3,371,090	(347,970)
Cash Receipts Over (Under) Expenditures	-	150,389		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	150,389		

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

CITY OF PARK CITY, KANSAS
Utility CIP/CEP/Improvement 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 Improvement Fees	\$ -	20,000	-	20,000
Transfers In	-	943,619	-	943,619
Total Cash Receipts	-	963,619	-	963,619
Expenditures				
Capital Outlay	-	37,614	-	(37,614)
Transfers Out	-	261,120	-	(261,120)
Total Expenditures	-	298,734	-	(298,734)
Cash Receipts Over (Under) Expenditures	-	664,885		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	664,885		

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

CITY OF PARK CITY, KANSAS
Utility Operating 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	\$ -	436,139
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	436,139
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	436,139

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

CITY OF PARK CITY, KANSAS
Utility Depreciation 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	\$ -	100,000
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	100,000
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	100,000

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

CITY OF PARK CITY, KANSAS
Utility Surplus 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	\$ -	2,821,482
Expenditures		
Transfers Out	-	66,139
Capital Outlay	-	131,773
Total Expenditures	-	197,912
Cash Receipts Over (Under) Expenditures	-	2,623,570
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	2,623,570

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

CITY OF PARK CITY, KANSAS
Water Operations and Maintenance 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				
Water Sales	\$ 1,340,432	-	-	-
Late Fees	53,505	-	-	-
Inspection Fees	1,080	-	-	-
Miscellaneous	3,219	-	-	-
Hook-On Charges	10,861	-	-	-
Water Municipal Charges	3,520	-	-	-
Water Transfer Fees	450	-	-	-
Reconnect Charges	8,440	-	-	-
Bad Debt Collections	1,379	-	-	-
Cross Connect Fees	510	-	-	-
Interest	6,164	-	-	-
Proceeds From Lawsuit	44	-	-	-
Reimbursements	16,136	-	-	-
Total Cash Receipts	1,445,740	-	-	-
Expenditures				
Salaries	192,440	-	-	-
Employee Benefits	96,974	-	-	-
Training	1,205	-	-	-
Contracted Services	37,624	-	-	-
Auditor Fees	1,000	-	-	-
Capital Outlay	4,311	-	-	-
Telephone	1,026	-	-	-
Utilities	11,401	-	-	-
Supplies	38,972	-	-	-
Office Supplies	13,520	-	-	-
Insurance	12,363	-	-	-
Repairs and Maintenance	18,060	-	-	-
Computer	4,982	-	-	-
Vehicle	11,388	-	-	-
Miscellaneous	1,852	-	-	-
Bad Debts	4,128	-	-	-
Interest	540	-	-	-
Clean Drinking Water Fee	8,425	-	-	-
Testing	1,142	-	-	-
Water Purchase	73,331	-	-	-
CCUA Debt Service	354,659	-	-	-
Shop Maintenance	23,660	-	-	-

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

CITY OF PARK CITY, KANSAS
Water Operations and Maintenance 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	
Expenditures (continued)				
CCUA Operations and Maintenance	240,296	-	-	-
CCUA Water Contingency Reserve	8,676	-	-	-
Transfers Out	680,684	114,823	-	114,823
Tax	1,119	-	-	-
Total Expenditures	<u>1,843,778</u>	<u>114,823</u>	<u>-</u>	<u>114,823</u>
Cash Receipts Over (Under) Expenditures	(398,038)	(114,823)		
Unencumbered Cash - Beginning	<u>512,861</u>	<u>114,823</u>		
Unencumbered Cash - Ending	<u>\$ 114,823</u>	<u>-</u>		

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

CITY OF PARK CITY, KANSAS
Water CIP/CEF 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	\$ 4,000	-
Expenditures		
Transfers Out	-	22,400
Cash Receipts Over (Under) Expenditures	4,000	(22,400)
Unencumbered Cash - Beginning	18,400	22,400
Unencumbered Cash - Ending	\$ 22,400	-

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

CITY OF PARK CITY, KANSAS
Customer Deposit 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		
Customer Deposits	\$ 23,850	-
Expenditures		
Customer Refunds	23,850	-
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 PARK CITY, KANSAS
Water Operating 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	\$ -	-
Expenditures		
Transfers Out	19,000	200,000
Cash Receipts Over (Under) Expenditures	(19,000)	(200,000)
Unencumbered Cash - Beginning	219,000	200,000
Unencumbered Cash - Ending	\$ 200,000	-

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

CITY OF PARK CITY, KANSAS
Water Utility Emergency 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		
Transfers Out	-	50,000
Cash Receipts Over (Under) Expenditures	-	(50,000)
Unencumbered Cash - Beginning	50,000	50,000
Unencumbered Cash - Ending	\$ 50,000	-

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

CITY OF PARK CITY, KANSAS
MTBE Surplus 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	\$ 9,791	3,345
Transfers In	475,364	487,545
Total Cash Receipts	485,155	490,890
Expenditures		
Transfers Out	735,305	837,450
Cash Receipts Over (Under) Expenditures	(250,150)	(346,560)
Unencumbered Cash - Beginning	3,577,864	3,327,714
Unencumbered Cash - Ending	\$ 3,327,714	2,981,154

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

CITY OF PARK CITY, KANSAS
Water Improvement 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				
Transfers In	\$ 12,000	-	6,000	(6,000)
Water Improvement Fee	9,050	-	15,000	(15,000)
Total Cash Receipts	<u>21,050</u>	<u>-</u>	<u>21,000</u>	<u>(21,000)</u>
Expenditures				
Transfers Out	-	302,167	-	302,167
Capital Outlay	-	-	187,000	(187,000)
Total Expenditures	<u>-</u>	<u>302,167</u>	<u>187,000</u>	<u>115,167</u>
Cash Receipts Over (Under) Expenditures	21,050	(302,167)		
Unencumbered Cash - Beginning	<u>281,117</u>	<u>302,167</u>		
Unencumbered Cash - Ending	\$ <u>302,167</u>	<u>-</u>		

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

CITY OF PARK CITY, KANSAS
Water Surplus 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	\$ 219,000	-
Interest Income	145	-
Total Cash Receipts	<u>219,145</u>	<u>-</u>
Expenditures		
Transfers Out	-	1,274,842
Capital Outlay	8,350	-
Total Expenditures	<u>8,350</u>	<u>1,274,842</u>
Cash Receipts Over (Under) Expenditures	210,795	(1,274,842)
Unencumbered Cash - Beginning	<u>1,064,047</u>	<u>1,274,842</u>
Unencumbered Cash - Ending	<u>\$ 1,274,842</u>	<u>-</u>

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

CITY OF PARK CITY, KANSAS
Water Plant Equity 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				
Water Plant Equity Fee	\$ 7,640	-	15,000	(15,000)
Expenditures				
Debt Service	-	-	100,000	(100,000)
Transfers Out	-	132,650	-	132,650
Total Expenditures	-	132,650	100,000	32,650
Cash Receipts Over (Under) Expenditures	7,640	(132,650)		
Unencumbered Cash - Beginning	125,010	132,650		
Unencumbered Cash - Ending	\$ 132,650	-		

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

CITY OF PARK CITY, KANSAS
Sewer Operations and Maintenance 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	\$ 1,050,579	-	-	-
Inspection Fees	1,170	-	-	-
Miscellaneous	14,004	-	-	-
Interest	5,082	-	-	-
Total Cash Receipts	<u>1,070,835</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Salaries	77,101	-	-	-
Employee Benefits	40,526	-	-	-
Training	448	-	-	-
Contracted Services	32,709	-	-	-
CCUA Operation and Maintenance	308,514	-	-	-
Auditor Fees	1,000	-	-	-
Capital Outlay	761	-	-	-
Telephone	5,479	-	-	-
Utilities	18,587	-	-	-
Supplies	3,059	-	-	-
Office Supplies	969	-	-	-
Insurance	4,204	-	-	-
Repairs and Maintenance	16,505	-	-	-
Computer	3,821	-	-	-
Vehicle	4,579	-	-	-
Miscellaneous	4,403	-	-	-
CCUA Debt Service	271,462	-	-	-
CCUA Sewer Contingency Reserve	1,960	-	-	-
Shop Maintenance	23,660	-	-	-
Transfers Out	257,070	68,737	-	68,737
Total Expenditures	<u>1,076,817</u>	<u>68,737</u>	<u>-</u>	<u>68,737</u>
Cash Receipts Over (Under) Expenditures	(5,982)	(68,737)		
Unencumbered Cash - Beginning	<u>74,719</u>	<u>68,737</u>		
Unencumbered Cash - Ending	\$ <u><u>68,737</u></u>	<u><u>-</u></u>		

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

CITY OF PARK CITY, KANSAS
Sewer CIP/CEF 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	\$ 5,000	-
Expenditures		
Transfers Out	-	26,850
Cash Receipts Over (Under) Expenditures	5,000	(26,850)
Unencumbered Cash - Beginning	21,850	26,850
Unencumbered Cash - Ending	\$ 26,850	-

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

CITY OF PARK CITY, KANSAS
Sewer Operating 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		
Transfers Out	10,000	170,000
Cash Receipts Over (Under) Expenditures	(10,000)	(170,000)
Unencumbered Cash - Beginning	180,000	170,000
Unencumbered Cash - Ending	\$ 170,000	-

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

CITY OF PARK CITY, KANSAS
Sewer Depreciation 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		
Transfers Out	-	50,000
Cash Receipts Over (Under) Expenditures	-	(50,000)
Unencumbered Cash - Beginning	50,000	50,000
Unencumbered Cash - Ending	\$ 50,000	-

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

CITY OF PARK CITY, KANSAS
Sewer Improvement Reserve 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				
Transfers In	\$ 4,500	-	-	-
Sewer Improvement Fees	8,900	-	16,000	(16,000)
Total Cash Receipts	13,400	-	16,000	(16,000)
Expenditures				
Transfers Out	-	321,082	-	321,082
Sewer Improvements	-	-	270,000	(270,000)
Total Expenditures	-	321,082	270,000	51,082
Cash Receipts Over (Under) Expenditures	13,400	(321,082)		
Unencumbered Cash - Beginning	307,682	321,082		
Unencumbered Cash - Ending	\$ 321,082	-		

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

CITY OF PARK CITY, KANSAS
Sewer Surplus 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	\$ 87,784	-
Interest	108	-
	<u>87,892</u>	<u>-</u>
Total Cash Receipts	87,892	-
Expenditures		
Transfers Out	-	1,126,640
	<u>-</u>	<u>1,126,640</u>
Cash Receipts Over (Under) Expenditures	87,892	(1,126,640)
Unencumbered Cash - Beginning	<u>1,038,748</u>	<u>1,126,640</u>
Unencumbered Cash - Ending	<u>\$ 1,126,640</u>	<u><u>-</u></u>

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

CITY OF PARK CITY, KANSAS
Sewer Plant Equity 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 Plant Equity Fee	\$ 7,790	-	15,000	(15,000)
Expenditures				
Debt Service	-	-	60,000	(60,000)
Transfers Out	-	118,470	-	118,470
Total Expenditures	-	118,470	60,000	58,470
Cash Receipts Over (Under) Expenditures	7,790	(118,470)		
Unencumbered Cash - Beginning	110,680	118,470		
Unencumbered Cash - Ending	\$ 118,470	-		

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

CITY OF PARK CITY, KANSAS
Solid Waste 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				
Recycle Revenue	\$ 104,010	-	-	-
Solid Waste Revenue	175,849	-	-	-
Administrative Fees	13,673	-	-	-
Miscellaneous Income	143	-	-	-
Total Cash Receipts	<u>293,675</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Supplies	1,476	-	-	-
Contracted Services	270,563	-	-	-
Miscellaneous	793	-	-	-
Transfers Out	-	32,283	-	32,283
Total Expenditures	<u>272,832</u>	<u>32,283</u>	<u>-</u>	<u>32,283</u>
Cash Receipts Over (Under) Expenditures	20,843	(32,283)		
Unencumbered Cash - Beginning	<u>11,440</u>	<u>32,283</u>		
Unencumbered Cash - Ending	<u>\$ 32,283</u>	<u>-</u>		

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

CITY OF PARK CITY, KANSAS
CCUA Water/Sewer 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		
CCUA Reimbursements	\$ 262,436	272,146
Expenditures		
Salaries	168,668	169,976
Employee Benefits	84,270	93,486
Miscellaneous	9,095	9,128
Total Expenditures	<u>262,033</u>	<u>272,590</u>
Cash Receipts Over (Under) Expenditures	403	(444)
Unencumbered Cash - Beginning	<u>68</u>	<u>471</u>
Unencumbered Cash - Ending	<u>\$ 471</u>	<u>27</u>

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

CITY OF PARK CITY, KANSAS
Special Expendable Trust 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		
Donations	\$ 900	1,424
Expenditures		
Park Bench Memorial	67	-
Capital Outlay	-	229
Miscellaneous	79	11
Total Expenditures	146	240
Cash Receipts Over (Under) Expenditures	754	1,184
Unencumbered Cash - Beginning	2,312	3,066
Unencumbered Cash - Ending	\$ 3,066	4,250

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

CITY OF PARK CITY, KANSAS
Flexible Spending 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	\$ 4	1
Contributions	24,400	29,759
Total Cash Receipts	24,404	29,760
Expenditures		
Distributions	23,840	28,705
Cash Receipts Over (Under) Expenditures	564	1,055
Unencumbered Cash - Beginning	4,491	5,055
Unencumbered Cash - Ending	\$ 5,055	6,110

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

CITY OF PARK CITY, KANSAS
Bond Proceeds Clearing 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		
Bond Proceeds	\$ 34,352	-
Expenditures		
Transfers Out	-	34,352
Cash Receipts Over (Under) Expenditures	34,352	(34,352)
Unencumbered Cash - Beginning	-	34,352
Unencumbered Cash - Ending	\$ <u>34,352</u>	<u>-</u>

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

CITY OF PARK CITY, KANSAS
Cash Bond 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		
Cash Bond Proceeds	\$ -	-
Expenditures		
Cash Bond Refunds and Returns	-	-
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 PARK CITY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Park City, 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 eight elected council members. The City receives funding from local, state, and federal government sources and must comply with the requirements of these funding sources.

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

These financial statements present the City (primary government) only. The component unit listed below is excluded.

Park City Public Library

The Library's eight member Board is appointed by the City. The City provides funding to the Library that is obtained through tax dollars levied in the City's annual budget. The Library's financial statements are not included in this report. Contact the City for information on how to obtain a copy of the audit report for December 31, 2011.

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.

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 PARK CITY, KANSAS
Notes to Financial Statements
December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 Category

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 funds' designated operations.

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 a portion of the 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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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 two budget amendments for this year for the General Fund and the Utility Fund. These amendments are discussed in further detail in Note 8.

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 Equipment Fund, Capital Improvement Fund, Law Enforcement Trust Fund, Police Grant Fund, FESA Police Trust Fund, and Wildlife and Parks 2005 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.

Deposits and Investments

The City follows the practice of pooling cash of all funds. Each fund's portion of total cash 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.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 did not use "peak periods" during 2011. All deposits were legally secured at December 31, 2011.

At December 31, 2011 the City's carrying amount of deposits was \$11,790,847 and the bank balance was \$11,904,960. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance \$271,716 was covered by federal depository insurance and \$11,633,244 was collateralized with securities held by the 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

Chisholm Creek Utility Authority's employees are paid by the City through a common paymaster system. A common paymaster is a system in which related entities are treated as a single employer for payroll purposes as approved by the Internal Revenue Service.

Vacation

The City's pay period is bi-weekly for a total of 26 pay periods per year. The City's policy regarding vacation for full-time employees is as follows:

<u>Years Worked</u>	<u>Amount Earned</u>
0-1	2 hours/pay period
2-5	4 hours/pay period
6-10	5 hours/pay period
11-15	6 hours/pay period
16 or more	7 hours/pay period

Vacation earned may not be taken until the employee completes six months of service. The maximum accrual for vacation shall be no more than 208 hours.

Sick Leave

The City's policy for sick leave permits full-time employees to earn sick leave at the rate of 8 hours per calendar month up to a maximum of 520 hours. For those employees who have attained and maintained a maximum accumulation of sick leave and are terminated in good standing, the City will pay them 50% of their accumulated sick leave at their current rate of pay. When maximum accrual of 520 hours is exceeded on October 31 of each calendar year, an "Attendance Bonus" shall be paid equivalent to 50% of the hours exceeding 520 hours. In addition to sick leave, each employee is entitled to two days of personal leave on an annual basis.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Comp Time

Comp time is earned at a rate of 1 ½ hours per every hour worked over 40 hours during a one week period. Employees may accrue up to 40 hours of comp time, and may be allowed to accrue more than 40 hours with the approval of both the department head and city administrator.

A potential liability of \$483,777 existed as of December 31, 2011 for these compensated absences. The City has accrued \$188,269 for compensated absences, but the remaining amount of \$295,508 has not been accrued.

Defined Benefit Pension Plan

Plan Description

The City contributes to the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, et seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue 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. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% 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 and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS 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 \$119,455, \$106,095 and \$89,883, respectively, equal to the required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2011 was 14.44%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City's contributions to KP&F for the years ending December 31, 2011, 2010, and 2009 were \$112,349, \$102,479, and \$106,916, 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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Special Assessments

Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund.

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 Park City, Kansas'** interfund transfers and statutory authority for the year ended December 31, 2011 were as follows:

From	To	Statutory Authority	Amount
General Fund	Capital Equipment Fund	K.S.A. 12-1,117	\$ 38,932
General Fund	Capital Improvement Fund	K.S.A. 12-1,118	214,992
General Fund	Tri-City Senior Director Fund	K.S.A. 12-1,118	2,112
Employee Benefits Fund	General Fund	To Close Fund	403,439
Ballfield Lights Fund	Bond and Interest Fund	K.S.A. 10-117a	6,565
Bond Clearing Fund	Capital Projects Fund	K.S.A. 12-1,118	34,352
Capital Projects Fund	Bond and Interest Fund	K.S.A. 10-117a	120,509
Capital Projects Fund	MTBE Surplus Fund	K.S.A. 12-1,118	487,545
Capital Projects Fund	Special Highway Fund	K.S.A. 12-1,119	35,407
Water Tower/Main Improvements Fund	Capital Projects Fund	K.S.A. 12-1,118	99,578
Maintenance Building Fund	Capital Projects Fund	K.S.A. 12-1,118	35,407
CCUA Headworks Fund	Capital Projects Fund	K.S.A. 12-1,118	1,012,975
Special Bridge Construction Fund	Capital Projects Fund	K.S.A. 12-1,118	492,545
Library Building Fund	Capital Projects Fund	K.S.A. 12-1,118	416,300
High Ridge 2 nd Addition Phase 2A Fund	Capital Projects Fund	K.S.A. 12-1,118	181,706
Cambridge Valley Phase 1 Fund	Capital Projects Fund	K.S.A. 12-1,118	323,792
Water Operations and Maintenance Fund	Utility Fund	K.S.A. 12-858	114,823
Sewer Operations and Maintenance Fund	Utility Fund	K.S.A. 12-858	68,737

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

NOTE 2 – INTERFUND TRANSFERS (continued)

Solid Waste Utility Fund	Utility Fund	K.S.A. 12-858	\$ 32,283
Utility Fund	General Fund	K.S.A. 12-825d	6,495
Utility Fund	Bond and Interest Fund	K.S.A. 10-117a	173,107
	Utility CIP/CEF/Improvement	K.S.A. 12-1,	
Utility Fund	Fund	117,118	20,000
Utility Fund	Utility Surplus Fund	K.S.A. 12-825d	420,000
	Utility CIP/CEF/Improvement		
Water CIP/CEF Fund	Fund	To Close Fund	22,400
	Utility CIP/CEF/Improvement		
Water Improvement Fund	Fund	To Close Fund	302,167
	Utility CIP/CEF/Improvement		
Water Plant Equity Fund	Fund	To Close Fund	132,650
	Utility CIP/CEF/Improvement		
Sewer CIP/CEF Fund	Fund	To Close Fund	26,850
Sewer Improvements Reserve	Utility CIP/CEF/Improvement		
Fund	Fund	To Close Fund	321,082
	Utility CIP/CEF/Improvement		
Sewer Plant Equity Fund	Fund	To Close Fund	118,470
Water Operating Reserve Fund	Utility Operating Reserve Fund	To Close Fund	200,000
Sewer Operating Reserve Fund	Utility Operating Reserve Fund	To Close Fund	170,000
Water Utility Emergency Fund	Utility Depreciation Fund	To Close Fund	50,000
Sewer Depreciation Reserve Fund	Utility Depreciation Fund	To Close Fund	50,000
Water Surplus Fund	Utility Surplus Fund	To Close Fund	1,274,842
Sewer Surplus Fund	Utility Surplus Fund	To Close Fund	1,126,640
Utility CIP/CEF/Improvement Fund	Bond and Interest Fund	K.S.A. 10-117a	261,120
Utility Surplus Fund	Utility Operating Reserve Fund	K.S.A. 12-825d	66,139
MTBE Surplus Fund	Capital Improvement Fund	K.S.A. 12-1,118	110,894
MTBE Surplus Fund	Capital Project Fund	K.S.A. 12-6a16	726,556

NOTE 3 – CAPITAL PROJECTS

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

Project Name	Project Authorization	Cash Disbursements and Accounts Payable to Date
Water Tower/Main Improvements	\$ 3,160,000	3,153,115
FMI Sewer	65,000	32,105
CCUA Headworks	1,875,000	1,831,295
Library Building	1,000,000	982,540
Cambridge Valley	911,000	777,254
High Ridge 2 nd Addition, Phase 2A	401,000	303,674

NOTE 4 – LITIGATION

City of Park City, 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.

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

NOTE 5 – RISK MANAGEMENT

The City 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 unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Municipal Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for 140 participating members.

The City pays an annual premium to Kansas Municipal Insurance Trust for its workers' compensation insurance coverage. The agreement to participate provides that the Kansas Municipal Insurance Trust will be self-sustaining through member premiums and will reinsure through commercial companies in excess of \$300,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Municipal Insurance Trust's management. During 2011, the City contributed \$54,765 to the fund for this insurance coverage.

The City carries commercial insurance for risks of loss, including property, general liability, inland marine, automobile, umbrella, linebacker, and employee dishonesty. 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 Park City, 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.

NOTE 7 – 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 Park City, 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 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Employee Benefit Fund, Utility CIP/CEP/Improvement Fund, Water Operations and Maintenance Fund, Water Improvement Fund, Water Plant Equity Fund, Sewer Operations and Maintenance Fund, Sewer Improvement Reserve Fund, Sewer Plant Equity Fund, and Solid Waste Utility Fund had expenditures chargeable to the current year in excess of the budgeted expenditures for those funds. These budget violations were created through the process of consolidating various funds to reduce the number of funds currently maintained by the City. The City consulted directly with the State of Kansas to amend the 2011 budget and relied on the information provided. These funds were closed out as directed by the State and will not be budget violations since the State directed the City on the amended budget.

NOTE 9 – JOINT VENTURE

City of Park City, Kansas is a member of the Chisholm Creek Utility Authority. The Chisholm Creek Utility Authority (the Authority) was organized in April 2001 pursuant to the Kansas Interlocal Cooperation Act. The Authority was created by an interlocal agreement between the Cities of Bel Aire and Park City, Kansas (Members) and is economically dependent on the members.

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

NOTE 9 – JOINT VENTURE (continued)

The purpose of the Authority is to assist its members in planning, technical and financial matters for comprehensive utilities and public services, accomplish the desired objectives of effective utility and public service facilities, and organize the operation of utility and public service systems. The Authority is governed by a four member board of commissioners, and primarily provides water and wastewater services to the Members' residents.

The Authority's water and wastewater service rates are established by a rate ordinance and sold to the member cities at the established rates. At December 31, 2011, the City of Park City had 2,815 customers and the City of Bel Aire had 2,504 customers. The following transactions were identified for 2011 as payments to the joint venture.

Chisholm Creek Utility Authority (water and wastewater services)	\$ 2,297,632
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As of the date of this report the audited financial statements of the Authority are not available, and thus we are precluded from assessing the current year activities and financial burden created by the Authority. The Authority's financial statements are not included in this report. Contact the City for information on how to obtain a copy of the audit report for December 31, 2011.

NOTE 10 – CONDUIT DEBT OBLIGATIONS

The City has been involved in the issuance of various Industrial Revenue Bonds. The purpose of these bonds is to provide financial assistance to various businesses. The bonds are secured by the business and are payable solely by the business. Neither the City, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities of the City in the accompanying financial statements.

NOTE 11 – DEBT RESTRICTIONS AND COVENANTS

Revenue Bonds

The revenues collected by the Chisholm Creek Utility Authority are pledged for payments of the revenue bonds. The revenue bonds are carried by the Authority with the City only being proportionately liable if the Authority defaults. Covenants by both member cities insure that debt service and operating expenses of the Authority are paid. The Authority's revenue bond liability at December 31, 2011 totaled \$26,795,000.

NOTE 12 – PRIOR YEARS' DEBT DEFEASANCE

On July 6, 2004 the City issued revenue bonds of \$3,130,000 Series 2004 with an interest rate of 1.500 – 4.750% to advance term refund bonds. The revenue bonds were issued at a premium and, after paying issuance costs, the net proceeds were \$2,615,000. The net proceeds from the issuance of the revenue 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 the 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 of December 31, 2011, the amount of defeased debt outstanding amounted to \$575,000.

On December 1, 2007 the City issued revenue bonds of \$1,100,000 Series 2007-B with an interest rate of 4.000% to advance term refund bonds. The revenue bonds were issued at a premium and, after paying issuance costs, the net proceeds were \$1,070,572. The net proceeds from the issuance of the revenue 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 the 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 of December 31, 2011, the amount of defeased debt outstanding amounted to \$665,000.

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

NOTE 13 – LONG TERM DEBT

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

General Obligation Bonds

On February 15, 2003, the City issued \$4,035,000 in general obligation bonds – Series 2003-A for the purpose of internal improvements.

On November 15, 2003, the City issued \$2,185,000 in general obligation bonds Series 2003-B for the purpose of internal improvements.

On July 6, 2004, the City issued \$3,130,000 in general obligation bonds – Series 2004-A for the purpose of refunding and internal improvements.

On December 15, 2004, the City issued \$968,000 in general obligation bonds – Series 2004-B for the purpose of internal improvements.

On December 15, 2005, the City issued \$1,890,000 in general obligation bonds – Series 2005-A for the purpose of internal improvements.

On June 1, 2006, the City issued \$1,000,000 in general obligation bonds – Series 2006-A for the purpose of constructing Wild West World parking.

On October 1, 2006, the City issued \$3,160,000 in general obligation bonds – Series 2006-B for the purpose of improving the water supply system.

On December 1, 2006, the City issued \$2,655,000 in general obligation bonds – Series 2006-C for the purpose of internal improvements.

On December 1, 2007, the City issued \$945,000 in general obligation bonds – Series 2007-A and \$1,100,000 in general obligation bonds – Series 2007-B. The purpose of the Series 2007-A bonds is to finance construction of water, sanitary sewer, and storm water drainage improvements to the Wild West Addition. The purpose of the Series 2007-B bonds is to refund the City's general obligation bonds 2000-1 dated December 1, 2000.

On December 15, 2008, the City issued \$5,050,000 in general obligation bonds – Series 2008-A for the purpose of making internal improvements.

On December 15, 2009, the City issued \$3,870,000 in general obligation bonds – Series 2009-A for the purpose of refunding and improvements.

On December 1, 2010, the City issued \$1,670,000 in general obligation bonds – Series 2010-A for the purpose of providing funds for the refunding of \$665,000 in Internal Improvement Series 2001-A Bonds, \$435,000 in Internal Improvement Series 2001-B Bonds, \$75,000 in Series 2007-2 Temporary Notes, and \$475,000 in Series 2009-1 Temporary Notes.

Temporary Notes

On August 1, 2010, the City issued \$885,000 in temporary notes – Series 2010-1 for the purpose of water line improvements, sanitary sewer improvements and paving improvements to Cambridge Valley.

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

NOTE 13 – LONG TERM DEBT (continued)

On December 1, 2010, the City issued \$375,000 in temporary notes – Series 2010-2 for the purpose of water line improvements, sanitary sewer improvements and street improvements to High Ridge.

On May 31, 2011, the City issued \$65,000 in temporary notes – Series 2011-1 for the purpose of sanitary sewer improvements for FMI, Inc.

Capital Leases

The City entered into a capital lease agreement with the title of the land to transfer at the expiration of the lease term. The final lease payment was made in 2011 and the City now retains full ownership of the land. This land was purchased with the intent of using it as the site for building a new city hall in the future, and will be maintained by the City for that purpose.

The changes in long-term debt and the maturity of long-term debt are disclosed on the following two pages.

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

NOTE 13 - LONG-TERM DEBT (continued)

Changes in long-term debt 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 Series 2003-A	3.300-3.500%	2003	4,035,000	2018	2,590,000	-	275,000		2,315,000	90,100
Internal Improvement Series 2003-B	3.300-4.250%	2003	2,185,000	2019	1,510,000	-	145,000		1,365,000	58,448
Refunding and Improvement Series 2004-A	3.700-4.750%	2004	3,130,000	2019	1,175,000	-	285,000		890,000	47,450
Internal Improvement Series 2004-B	3.500-4.250%	2004	968,000	2020	735,000	-	60,000		675,000	29,280
Internal Improvement Series 2005-A	3.650-4.750%	2005	1,890,000	2026	1,580,000	-	105,000		1,475,000	63,880
Wild West World Parking Series 2006-A	6.350-7.500%	2006	1,000,000	2028	915,000	-	30,000		885,000	60,575
Water System Improvements Series 2006-B	4.250-6.000%	2006	3,160,000	2036	3,160,000	-	-		3,160,000	148,444
Water Improvements Series 2006-C	4.000-5.000%	2006	2,655,000	2027	2,365,000	-	150,000		2,215,000	104,135
Internal Improvement Series 2007-A	3.500-4.500%	2007	945,000	2028	910,000	-	35,000		875,000	38,970
Refunding Series 2007-B	4.000%	2007	1,100,000	2015	815,000	-	150,000		665,000	32,600
Internal Improvement Series 2008-A	5.000-6.000%	2008	5,050,000	2029	5,050,000	-	195,000		4,855,000	284,600
Refunding and Improvement Series 2009-A	2.250-5.375%	2009	3,870,000	2025	3,870,000	-	80,000		3,790,000	358,234
Refunding and Improvement Series 2010-A	0.900-4.500%	2010	1,670,000	2031	1,670,000	-	180,000		1,490,000	41,293
Total General Obligation Bonds					<u>26,345,000</u>	<u>-</u>	<u>1,690,000</u>		<u>24,655,000</u>	<u>1,358,009</u>
Temporary Notes										
Series 2010-1	1.100%	2010	885,000	2012	885,000	-	-		885,000	9,735
Series 2010-2	1.500%	2010	375,000	2012	375,000	-	-		375,000	-
Series 2011-1	2.000%	2011	65,000	2012	-	65,000	-		65,000	-
Total Temporary Notes					<u>1,260,000</u>	<u>65,000</u>	<u>-</u>		<u>1,325,000</u>	<u>9,735</u>
Capital Leases										
Shellenberger Real Estate	0.000%	2006	250,000	2011	50,000	-	50,000		-	-
Unbooked Compensated Absences					<u>284,490</u>	<u>11,018</u>	<u>-</u>	<u>11,018</u>	<u>295,508</u>	<u>-</u>
Total Long-Term Debt					<u>\$ 27,939,490</u>	<u>76,018</u>	<u>1,740,000</u>	<u>11,018</u>	<u>26,275,508</u>	<u>1,367,744</u>

CITY OF PARK CITY, 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	2032-2036	
Principal										
General Obligation Bonds	\$ 1,950,000	1,940,000	1,950,000	1,890,000	1,790,000	7,435,000	4,710,000	2,030,000	960,000	24,655,000
Temporary Notes	1,325,000	-	-	-	-	-	-	-	-	1,325,000
Total Principal	3,275,000	1,940,000	1,950,000	1,890,000	1,790,000	7,435,000	4,710,000	2,030,000	960,000	25,980,000
Interest										
General Obligation Bonds	1,120,505	1,046,913	970,478	891,430	814,365	2,942,559	1,407,069	468,061	132,063	9,793,442
Temporary Notes	23,638	-	-	-	-	-	-	-	-	23,638
Total Interest	1,144,143	1,046,913	970,478	891,430	814,365	2,942,559	1,407,069	468,061	132,063	9,817,080
Total Principal and Interest	\$ 4,419,143	2,986,913	2,920,478	2,781,430	2,604,365	10,377,559	6,117,069	2,498,061	1,092,063	35,797,080

July 10, 2012

To the City Council and Management
City of Park City, Kansas
Park City, Kansas

In planning and performing our audit of the primary government financial statements of **City of Park City, Kansas** as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

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 did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 following deficiency in the City's internal control to be a significant deficiency.

- Statement on Auditing Standard No. 115 (SAS No. 115) requires client personnel responsible for the accounting and reporting function to have the necessary skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or when preparing financial statements. 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 generally accepted accounting principles when preparing financial statements, including relevant footnote disclosures. It is important to note the accounting personnel of the City are not expected to have this kind of knowledge. In order to obtain the necessary knowledge, the personnel would have to obtain extensive and continuous training, which is not feasible.

City of Park City, Kansas

Page 2

July 10, 2012

We would like to express our appreciation for the opportunity to perform the December 31, 2011 audit for **City of Park City, Kansas** and to the employees for the cooperation and assistance given to us during the audit.

This communication is intended solely for the information and use of management, the City Council, others within the organization, 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 10, 2012

To the City Council
City of Park City, Kansas
Park City, Kansas

We have audited the primary government financial statements of **City of Park City, Kansas** for the year ended December 31, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 4, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by **City of Park City, Kansas** are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2011. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

City of Park City, Kansas

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Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 10, 2012.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Audit Recommendations

We wish to communicate to the governing body recommendations that we discussed with management to improve operational or administrative efficiencies and for improving internal control.

Prior Year Items

Capital Assets and Inventory

We recommended the City establish and maintain a comprehensive list of capital assets and inventory items that are the property of the **City of Park City, Kansas**. We also recommended that a formal tracking system needs implemented for material fixed assets and inventory.

Status – The City has purchased depreciation software but has not completed an infrastructure listing and transferring it to the new software. The City may need to consult an expert for valuation guidance.

Fund Structure

The City currently operates with approximately 50 funds, which we believe is more than necessary. This creates undue complexity on the part of those charged with accounting, record keeping, and budget monitoring. We recommend that the city consolidate and eliminate unnecessary funds where appropriate.

Status – The City has undergone a substantial consolidation of funds in 2011 and has reduced the number of funds to be maintained in the future.

Transfers

The City currently keeps a schedule of transfers made to other funds during the year. We recommend that the City also incorporate a schedule that will record transfers received by fund. The schedule of transfers made can then be reconciled to the schedule of transfers received.

Status – The City is now tracking this and did provide a schedule of transfers for 2011.

City of Park City, Kansas

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Payroll

In 2010 the court staff were removed from the direct oversight of the Mayor and placed under the supervision of the Human Resources Director; however, the time sheets of the court staff are not being reviewed by anyone other than the payroll clerk. We recommend that whoever the City charges with the supervision of the court staff be responsible for reviewing and approving their timesheets.

Status – The Human Resources Director is now monitoring and reviewing time sheets of the court staff.

Current Year Items

Uncollectible Accounts Receivable

The City is currently maintaining accounts receivable that are more than one year old. These accounts were properly sent to the State set off and disconnect procedures were followed, however these amounts were left on the books as accounts receivable. We recommend that the City develop a written policy for reviewing accounts receivable, determining uncollectible accounts, and writing off those uncollectible accounts so that revenues are not overstated.

Quarterly Treasurer Statements

The City is currently issuing treasurer statements that show a netted increase/decrease in cash for the quarter presented. The requirements for this statement are outlined in K.S.A. 12-1608, where it states the statement should show “total amount received into each fund and the total amount expended from each fund.” The auditors’ interpretation of this statute is that the cash receipts and expenditures should be presented separately.

The City is currently presenting only General Obligation Indebtedness. We recommend that the City also present the amounts of indebtedness from other sources including temporary notes. This will serve to give a more complete picture of the City’s obligations.

Money Held in Grant/Trust Funds

The City is currently maintaining monies in various grant and trust funds (including Police Grant Fund, FESA Police Trust Fund, etc.). It is the opinion of the Auditor that these monies were donated and granted to the City with the intention of being used in a timely manner. We recommend that these funds be utilized by the City in a timelier manner.

We will review the status of these items during our next audit engagement. We have already discussed many of these items and suggestions with the appropriate personnel and we will be pleased to discuss them in further detail at your convenience. We are also available to perform additional studies of these matters or to assist you in implementing the recommendations.

This information is intended solely for the use of the City Council and management of **City of Park City, Kansas** and is not intended to be and should not be used by anyone other than these specified parties.


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

July 10, 2012

Adams, Brown, Beran & Ball, Chtd.
PO Box 864
McPherson, KS 67460

We are providing this letter in connection with your audit of the primary government financial statements of City of Park City, Kansas as of December 31, 2011 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the cash and unencumbered cash balances of City of Park City, Kansas, and the revenues received and expenditures paid, in conformity 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 in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with the cash basis and budget laws of the State of Kansas. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of July 10, 2012, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with a prescribed basis of accounting, which 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.
2. We have made available to you all -
 - a. Financial records and related data.
 - b. Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit.
6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.

7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
9. We have a process to track the status of audit recommendations.
10. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
11. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or unencumbered cash balances.
12. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the City is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances.
13. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
14. There are no –
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets except as noted in the audit report), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance except as noted in the audit report.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with the statutory basis of accounting.

15. As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
16. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
17. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
18. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
19. The financial statements properly classify all funds and activities.
20. Deposits are properly classified as to risk.
21. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Signed

Signed