

CITY OF ELLINWOOD, KANSAS

Primary Government Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2012

CITY OF ELLINWOOD, KANSAS
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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying primary government summary statement of regulatory basis receipts, expenditures and unencumbered cash of **City of Ellinwood, Kansas**, as of and for the year ended December 31, 2012 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on Aggregate Discretely Presented Related Municipal Entity

The financial statement referred to above does not include financial data for the City's legally separate related municipal entity. Accounting principles generally accepted in the United States of America require financial data for this related municipal entity to be reported with the financial data of the City's primary

government unless the City also issues financial statements for the financial reporting entity that include the financial data for its related municipal entity. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash and unencumbered cash balances of the aggregate discretely presented related municipal entity would have been reported as \$1,154,250.

Adverse Opinion on Aggregate Discretely Presented Related Municipal Entity

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on Aggregate Discretely Presented Related Municipal Entity” paragraph, the financial statement referred to above does not present fairly the financial position of the aggregate discretely presented related municipal entity of **City of Ellinwood, Kansas**, as of December 31, 2012, or the changes in financial position thereof for the year then ended.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statement is prepared by **City of Ellinwood, Kansas** to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Aggregate Remaining Fund Information

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on Aggregate Discretely Presented Related Municipal Entity” and “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraphs, the financial statement referred to above does not present fairly, in all material respects, the financial position of the aggregate remaining fund information of **City of Ellinwood, Kansas** as of December 31, 2012, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **City of Ellinwood, Kansas** as of December 31, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* as described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the summary statement of receipts, expenditures and unencumbered cash (basic financial statement) as a whole. The summary of expenditures – actual and budget, individual fund schedules of receipts and expenditures, and summary of receipts and expenditures – agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and

relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

Adams, Brown, Beran & Ball, Chtd.

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

April 22, 2013

CITY OF ELLINWOOD, KANSAS
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended December 31, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Fund							
General Fund	\$ 49,808	-	1,068,134	1,071,151	46,791	33,931	80,722
Special Purpose Funds							
Fire-Ambulance Equipment Fund	147,886	-	46,070	20,731	173,225	-	173,225
Library Fund	8,608	-	15,923	14,826	9,705	-	9,705
Fire Fund	34,162	-	38,905	40,731	32,336	3,444	35,780
Special Parks and Recreation Fund	2,112	-	4,059	2,997	3,174	-	3,174
Capital Improvement Fund	20,031	-	47,217	43,351	23,897	27,416	51,313
Special Highway Fund	17,272	-	192,188	194,121	15,339	6,138	21,477
Economic Development Fund	62,062	-	32,845	61,788	33,119	2,000	35,119
Drug Assessment Fund	4,258	-	116	-	4,374	-	4,374
Bond and Interest Fund							
Bond and Interest Fund	72,040	-	72,857	72,365	72,532	-	72,532
Business Funds							
Electric Fund	85,525	-	2,113,210	2,117,107	81,628	184,985	266,613
Electric Capital Reserve Fund	629,059	-	98,142	183,609	543,592	141,899	685,491
Solid Waste Fund	19,151	-	187,651	185,315	21,487	7,153	28,640
Water Fund	70,172	-	327,652	316,571	81,253	8,275	89,528
Water Capital Reserve Fund	11,236	-	20,006	20,352	10,890	-	10,890
Wastewater Fund	45,768	-	236,960	232,482	50,246	2,375	52,621
Trust Funds							
Ambulance Contribution Fund	8,889	-	19,238	4,430	23,697	-	23,697
Prairie Enterprise Fund	48,612	-	70,882	57,055	62,439	2,125	64,564
Total Primary Government (Excluding Agency Funds)	\$ 1,336,651	-	4,592,055	4,638,982	1,289,724	419,741	1,709,465
Composition of Cash							
						Checking Accounts	\$ 536,477
						Certificates of Deposit	1,172,988
						Total Primary Government	1,709,465
						Agency Funds per Schedule 3	-
						Total Primary Government (Excluding Agency Funds)	\$ 1,709,465

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

CITY OF ELLINWOOD, KANSAS
Notes to Financial Statement
December 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Ellinwood, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is 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.

Use of Estimates

The preparation of financial statement 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.

Financial Reporting Entity

The City is a municipal corporation governed by an elected mayor and five-member council. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the City and/or its constituents.

Ellinwood Community Foundation

The Foundation shall be managed by the board of directors elected by the city council and mayor of the City. The mayor of the City shall serve as president. The president and city council shall appoint the remaining officers. The Foundation is a nonprofit organization organized in the State of Kansas to provide charitable, educational and other purposes that engage in programs and activities primarily benefiting the residents of the City. Unaudited financial statements can be obtained by contacting the City office.

The City is the primary government as defined in GASB #61. The City council is elected by the public. The council has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

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, 2012.

Regulatory Basis Fund Types

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

CITY OF ELLINWOOD, KANSAS

Notes to Financial Statement

December 31, 2012

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Business Funds – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service funds, etc.).

Trust Funds – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund – fund used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Basis of Accounting

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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 regulatory 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 statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, and temporary notes are not presented in the financial statement.

Property Tax Calendar

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

CITY OF ELLINWOOD, KANSAS
Notes to Financial Statement
December 31, 2012

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.

NOTE 2 – BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

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

CITY OF ELLINWOOD, KANSAS
Notes to Financial Statement
December 31, 2012

body.

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Ellinwood, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of 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 investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not use "peak periods". All deposits were legally secured at December 31, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$1,709,465 and the bank balance was \$1,712,749. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$504,883 was covered by federal depository insurance and \$1,207,866 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, 2012.

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **City of Ellinwood, Kansas'** interfund transfers and regulatory authority for the year ended December 31, 2012 were as follows:

CITY OF ELLINWOOD, KANSAS
Notes to Financial Statement
December 31, 2012

From	To	Regulatory Authority	Amount
General Fund	Special Highway Fund	K.S.A. 12-1,119	\$ 90,000
General Fund	Fire-Ambulance Equipment Fund	K.S.A. 12-110d	12,000
General Fund	Special Highway Fund	K.S.A. 12-1,119	44,435
Payroll Clearing Fund	General Fund	Council Approved	359
Electric Fund	General Fund	K.S.A. 12-825d	60,000
Electric Fund	Electric Capital Reserve Fund	K.S.A. 12-825d	62,477
Electric Fund	Economic Development Fund	K.S.A. 12-825d	31,239
Electric Fund	Capital Improvement Fund	K.S.A. 12-1,118	30,000
Solid Waste Fund	Capital Improvement Fund	K.S.A. 12-1,118	7,200
Solid Waste Fund	General Fund	K.S.A. 12-825d	10,000
Water Fund	General Fund	K.S.A. 12-825d	22,500
Water Fund	Capital Improvement Fund	K.S.A. 12-1,118	10,000
Water Fund	Wastewater Fund	K.S.A. 12-825d	25,000
Water Fund	Water Capital Reserve Fund	K.S.A. 12-825d	20,000

NOTE 5 – LITIGATION

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

NOTE 6 – RISK MANAGEMENT

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

NOTE 7 – GRANTS AND SHARED REVENUES

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

NOTE 8 – OPERATING LEASES

On June 15, 2011, **City of Ellinwood, Kansas** entered into a lease agreement with Pitney Bowes to lease a postage meter. The agreement calls for monthly payments of \$99 for 60 months. Payments totaling \$1,188 were made in 2012. Future scheduled payments to maturity are as follows:

Year	Amount
2013	\$ 1,188
2014	1,188

CITY OF ELLINWOOD, KANSAS
Notes to Financial Statement
December 31, 2012

2015	1,188
2016	<u>1,188</u>
Total	\$ <u>4,752</u>

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Plan Description

City of Ellinwood, Kansas participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERs member-employee contribution rates. Effective July 1, 2009 KPERs has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERs member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERs is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Ellinwood, Kansas** 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 this financial statement.

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.

NOTE 11 – COMPENSATED ABSENCES

Vacation

City of Ellinwood, Kansas' policy regarding vacation is that an employee will accrue 1 vacation day for each full month of service for the first 10 years of full-time employment. After 10 years, one and a half days per month vacation is allowed. After 20 years, 2 days per month vacation is allowed. Each employee is allowed to carry over half of one year's leave from one year to the next. Upon termination of employment, earned but unused vacation will be paid to the employee subject to the maximum accrual limits. The potential liability for vacation at December 31, 2012 was \$29,038. This is reflected in the financial statement.

CITY OF ELLINWOOD, KANSAS
Notes to Financial Statement
December 31, 2012

Sick Leave

The policy regarding sick leave is that all full-time employees are entitled to accrue 1 sick day per month up to a maximum of 90 days. This may be carried forward from one year to the next; however, upon termination of employment, no benefits will be paid out unless the employee has been employed 10 continuous years with the City and the termination is due to retirement. The employee shall be compensated for 50% of his/her accumulated sick leave based on his/her regular rate of pay at the time of retirement. The potential liability for sick leave at December 31, 2012 was \$179,436. This is not reflected in the financial statement.

Comp Time

Comp time is earned at the rate of 1.5 hours per every hour worked over 40 hours during a week period. Employees have the option of taking time off or receiving payment for the hours earned. Employees can carry over 32 hours of comp time to the succeeding year and upon termination of employment, any unused comp time will be paid. The liability for comp time at December 31, 2012 was \$4,758. It is reflected in the financial statement.

NOTE 12 – DEBT RESTRICTIONS AND COVENANTS

KDHE Wastewater Treatment Loan

City of Ellinwood, Kansas entered into a loan agreement with the Kansas Department of Health and Environment to fund the improvements to the wastewater treatment plant in the amount of \$1,985,676. The loan agreement requires that the City provide for the repayment of this loan by providing dedicated funds. The City is in compliance with this requirement as of December 31, 2012 as it is providing dedicated funds through wastewater fees.

NOTE 13 – LONG-TERM DEBT

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

General Obligation Bonds

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

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

Certificates of Participation

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

On July 28, 2010, the City issued Series 2010 Certificates of Participation of \$660,000 (par value) with interest rates of 1.20% – 3.25% to advance refund \$645,000 of the Series 2001 certificates of

CITY OF ELLINWOOD, KANSAS
Notes to Financial Statement
December 31, 2012

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

KDHE Revolving Loan

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

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

CITY OF ELLINWOOD, KANSAS
Notes to Financial Statements
December 31, 2012

NOTE 13 - LONG TERM DEBT (continued)

Changes in long-term liabilities for the City for the year ended December 31, 2012, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	2012 Interest Paid
General Obligation Improvement Refunding Bonds	1.0-3.0%	7/28/2010	\$ 395,000	9/1/2016	\$ 330,000	-	65,000	265,000	7,365
Certificate of Participation Refunding - UMB Bank, N.A.	1.2-3.25%	7/28/2010	660,000	4/1/2016	555,000	-	105,000	450,000	12,752
KDHE Loans - Wastewater Treatment Plant	3.58%	10/1995	1,985,676	9/1/2017	745,070	-	113,429	631,641	23,875
Capital Leases Payable									
Trash Truck	4.66%	2/17/2010	55,000	2/20/2014	31,055	-	13,940	17,115	1,181
Street Sweeper	3.025%	4/11/2012	30,000	4/11/2016	-	30,000	4,752	25,248	563
Total Long-Term Debt					\$ 1,661,125	30,000	302,121	1,389,004	45,736

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

	YEAR					Total
	2013	2014	2015	2016	2017	
Principal						
General Obligation Improvement Refunding Bonds	\$ 65,000	65,000	65,000	70,000	-	265,000
Certificate of Participation Refunding - UMB Bank, N.A.	110,000	110,000	115,000	115,000	-	450,000
Wastewater Treatment Plant	117,526	121,771	126,169	130,727	135,448	631,641
Capital Leases Payable	21,935	10,023	7,765	2,640	-	42,363
Total Principal	314,461	306,794	313,934	318,367	135,448	1,389,004
Interest						
General Obligation Improvement Refunding Bonds	6,455	5,285	3,855	2,100	-	17,695
Certificate of Participation Refunding - UMB Bank, N.A.	10,814	8,394	5,405	1,869	-	26,482
Wastewater Treatment Plant	20,064	16,115	12,024	7,785	3,393	59,381
Capital Leases Payable	1,158	470	208	17	-	1,853
Total Interest	38,491	30,264	21,492	11,771	3,393	105,411
Total Principal and Interest	\$ 352,952	337,058	335,426	330,138	138,841	1,494,415

CITY OF ELLINWOOD, KANSAS

Regulatory-Required Supplementary Information

CITY OF ELLINWOOD, KANSAS
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2012

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds					
General Fund					
General Fund	\$ 1,118,542	-	1,118,542	1,071,151	(47,391)
Special Purpose Funds					
Fire-Ambulance Equipment Fund	132,000	-	132,000	20,731	(111,269)
Library Fund	21,500	-	21,500	14,826	(6,674)
Fire Fund	70,746	-	70,746	40,731	(30,015)
Special Parks and Recreation Fund	12,800	-	12,800	2,997	(9,803)
Special Highway Fund	263,704	-	263,704	194,121	(69,583)
Economic Development Fund	96,000	-	96,000	61,788	(34,212)
Bond and Interest Fund					
Bond and Interest Fund	117,365	-	117,365	72,365	(45,000)
Business Funds					
Electric Fund	2,278,212	-	2,278,212	2,117,107	(161,105)
Solid Waste Fund	219,228	-	219,228	185,315	(33,913)
Water Fund	367,652	-	367,652	316,571	(51,081)
Wastewater Fund	284,287	-	284,287	232,482	(51,805)
Trust Fund					
Ambulance Contribution Fund	7,000	-	7,000	4,430	(2,570)

CITY OF ELLINWOOD, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 240,662	249,453	258,658	(9,205)
Delinquent Tax	12,401	5,925	5,000	925
Motor Vehicle Tax	60,125	62,992	60,687	2,305
Local Alcoholic Liquor Tax	3,639	4,058	4,702	(644)
County Sales Tax	257,780	283,139	240,000	43,139
Charges for Services	12,725	10,659	-	10,659
Franchise Fees	37,957	33,762	40,800	(7,038)
Federal Grants	907	-	-	-
State Grants	915	1,830	-	1,830
Licenses, Fees and Permits	26,382	26,238	8,700	17,538
Municipal Court Fines	21,267	23,244	17,000	6,244
Interest	138	88	200	(112)
City Sales Tax	85,947	88,870	80,000	8,870
Ambulance Fee and Subsidy	151,163	169,585	133,000	36,585
Other Income	12,967	12,788	31,900	(19,112)
Sale of Property	2,000	2,644	-	2,644
Transfers In	85,000	92,859	136,000	(43,141)
Total Cash Receipts	1,011,975	1,068,134	1,016,647	51,487
Expenditures				
General Administrative	185,843	219,739	199,169	20,570
Capital Outlay	-	-	3,000	(3,000)
Public Safety				
Police	386,819	398,851	410,102	(11,251)
Ambulance	172,070	211,250	184,284	26,966
Health, Sanitation and Airport	8,313	6,492	8,200	(1,708)
Recreation - Swimming Pool	55,219	56,878	53,685	3,193
Recreation - Activities	29,209	31,506	38,102	(6,596)
Miscellaneous	5,000	-	-	-
Transfers Out	166,332	146,435	222,000	(75,565)
Total Expenditures	1,008,805	1,071,151	1,118,542	(47,391)
Cash Receipts Over (Under) Expenditures	3,170	(3,017)		4,096
Unencumbered Cash - Beginning	46,638	49,808		
Unencumbered Cash - Ending	\$ 49,808	46,791		

CITY OF ELLINWOOD, KANSAS
Fire-Ambulance Equipment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 9,743	13,678	14,184	(506)
Motor Vehicle Tax	2,926	2,567	2,456	111
Delinquent Tax	494	319	-	319
Federal Grant	18,611	1,668	-	1,668
Interest	181	284	300	(16)
Reimbursements	-	10,354	-	10,354
Sale of Property	-	5,200	-	5,200
Transfers In	12,000	12,000	12,000	-
Total Cash Receipts	43,955	46,070	28,940	17,130
Expenditures				
Capital Outlay	-	20,731	132,000	(111,269)
Cash Receipts Over (Under) Expenditures	43,955	25,339		(94,139)
Unencumbered Cash - Beginning	103,931	147,886		
Unencumbered Cash - Ending	\$ 147,886	173,225		

CITY OF ELLINWOOD, KANSAS
Library Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 14,785	11,770	12,202	(432)
Motor Vehicle Tax	3,790	3,873	3,729	144
Delinquent Tax	750	275	-	275
Interest	13	5	11	(6)
Total Cash Receipts	19,338	15,923	15,942	(19)
Expenditures				
Appropriations	15,078	14,826	21,500	(6,674)
Cash Receipts Over (Under) Expenditures	4,260	1,097		(6,693)
Unencumbered Cash - Beginning	4,348	8,608		
Unencumbered Cash - Ending	\$ 8,608	9,705		

CITY OF ELLINWOOD, KANSAS
Fire Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Federal Grant	\$ 1,300	810	-	810
Rural Fire Contracts	38,000	38,000	38,000	-
Interest	56	70	115	(45)
Other Income	25	25	-	25
Total Cash Receipts	<u>39,381</u>	<u>38,905</u>	<u>38,115</u>	<u>790</u>
Expenditures				
Personnel Services	6,000	6,000	6,306	(306)
Contractual Services	11,959	15,266	20,385	(5,119)
Commodities	14,491	16,076	23,555	(7,479)
Capital Outlay	8,311	3,389	20,500	(17,111)
Total Expenditures	<u>40,761</u>	<u>40,731</u>	<u>70,746</u>	<u>(30,015)</u>
Cash Receipts Over (Under) Expenditures	(1,380)	(1,826)		<u>(29,225)</u>
Unencumbered Cash - Beginning	<u>35,542</u>	<u>34,162</u>		
Unencumbered Cash - Ending	\$ <u>34,162</u>	<u>32,336</u>		

CITY OF ELLINWOOD, KANSAS
Special Parks and Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Liquor Tax Private Clubs	\$ 3,639	4,058	4,702	(644)
Interest	3	1	7	(6)
Total Cash Receipts	<u>3,642</u>	<u>4,059</u>	<u>4,709</u>	<u>(650)</u>
Expenditures				
Contractual Services	711	112	2,300	(2,188)
Commodities	1,700	2,885	6,200	(3,315)
Capital Outlay	<u>3,000</u>	<u>-</u>	<u>4,300</u>	<u>(4,300)</u>
Total Expenditures	<u>5,411</u>	<u>2,997</u>	<u>12,800</u>	<u>(9,803)</u>
Cash Receipts Over (Under) Expenditures	(1,769)	1,062		<u>(10,453)</u>
Unencumbered Cash - Beginning	<u>3,881</u>	<u>2,112</u>		
Unencumbered Cash - Ending	\$ <u>2,112</u>	<u>3,174</u>		

CITY OF ELLINWOOD, KANSAS
Capital Improvement Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 28	17
Transfers In	52,200	47,200
Total Cash Receipts	<u>52,228</u>	<u>47,217</u>
Expenditures		
Contractual Services	6,967	-
Capital Outlay	44,750	43,351
Total Expenditures	<u>51,717</u>	<u>43,351</u>
Cash Receipts Over (Under) Expenditures	511	3,866
Unencumbered Cash - Beginning	<u>19,520</u>	<u>20,031</u>
Unencumbered Cash - Ending	<u>\$ 20,031</u>	<u>23,897</u>

CITY OF ELLINWOOD, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Gasoline Tax	\$ 53,605	55,365	55,420	(55)
Delinquent Tax	400	360	-	360
Other Income	-	1,104	-	1,104
Interest	25	7	30	(23)
Rental Fees	-	667	-	667
Sale of Property	-	250	-	250
Transfers In	153,974	134,435	195,000	(60,565)
Total Cash Receipts	<u>208,004</u>	<u>192,188</u>	<u>250,450</u>	<u>(58,262)</u>
Expenditures				
Personnel Services	125,286	114,021	140,604	(26,583)
Contractual Services	23,823	15,054	16,775	(1,721)
Commodities	40,865	54,132	51,325	2,807
Capital Outlay	18,297	10,914	55,000	(44,086)
Total Expenditures	<u>208,271</u>	<u>194,121</u>	<u>263,704</u>	<u>(69,583)</u>
Cash Receipts Over (Under) Expenditures	(267)	(1,933)		<u>(127,845)</u>
Unencumbered Cash - Beginning	<u>17,539</u>	<u>17,272</u>		
Unencumbered Cash - Ending	\$ <u>17,272</u>	<u>15,339</u>		

CITY OF ELLINWOOD, KANSAS
Economic Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Contributions	\$ 1,950	1,500	-	1,500
Interest	92	106	180	(74)
Other Income	150	-	-	-
Sale of Property	15,000	-	-	-
Transfers In	31,797	31,239	30,000	1,239
Total Cash Receipts	48,989	32,845	30,180	2,665
Expenditures				
Economic Development Activity	41,390	61,788	96,000	(34,212)
Cash Receipts Over (Under) Expenditures	7,599	(28,943)		(31,547)
Unencumbered Cash - Beginning	54,463	62,062		
Unencumbered Cash - Ending	\$ 62,062	33,119		

CITY OF ELLINWOOD, KANSAS
Drug Assessment Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Drug Tax Distribution	\$ -	116
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	116
Unencumbered Cash - Beginning	4,258	4,258
Unencumbered Cash - Ending	\$ 4,258	4,374

CITY OF ELLINWOOD, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Property Tax	\$ 36,175	37,808	39,199	(1,391)
Delinquent Tax	1,834	881	-	881
Motor Vehicle Tax	10,185	9,506	9,123	383
Special Tax Assessment	24,958	24,502	27,000	(2,498)
Interest	133	160	220	(60)
Total Cash Receipts	<u>73,285</u>	<u>72,857</u>	<u>75,542</u>	<u>(2,685)</u>
Expenditures				
Principal	65,000	65,000	65,000	-
Interest	8,750	7,365	7,365	-
Cash Basis Reserve	-	-	45,000	(45,000)
Total Expenditures	<u>73,750</u>	<u>72,365</u>	<u>117,365</u>	<u>(45,000)</u>
Cash Receipts Over (Under) Expenditures	(465)	492		<u>(47,685)</u>
Unencumbered Cash - Beginning	<u>72,505</u>	<u>72,040</u>		
Unencumbered Cash - Ending	\$ <u>72,040</u>	<u>72,532</u>		

CITY OF ELLINWOOD, KANSAS
Electric Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Sales to Customers	\$ 2,025,325	2,030,785	1,985,200	45,585
Wholesale Electric Charges	56,758	48,204	30,000	18,204
Connection Fees	4,249	2,235	2,500	(265)
Disconnect and Service Charges	5,895	10,479	11,500	(1,021)
Penalties	17,162	16,037	16,000	37
Other Income	4,970	2,698	-	2,698
Rental Fees	874	2,558	800	1,758
Interest	298	214	500	(286)
Total Cash Receipts	<u>2,115,531</u>	<u>2,113,210</u>	<u>2,046,500</u>	<u>66,710</u>
Expenditures				
Production	1,366,024	1,368,236	1,459,299	(91,063)
Distribution	203,921	193,471	219,656	(26,185)
Administration	244,116	253,395	242,504	10,891
Debt Service	122,344	118,289	117,753	536
Transfers Out	175,390	183,716	239,000	(55,284)
Total Expenditures	<u>2,111,795</u>	<u>2,117,107</u>	<u>2,278,212</u>	<u>(161,105)</u>
Cash Receipts Over (Under) Expenditures	3,736	(3,897)		<u>(94,395)</u>
Unencumbered Cash - Beginning	<u>81,789</u>	<u>85,525</u>		
Unencumbered Cash - Ending	\$ <u><u>85,525</u></u>	<u><u>81,628</u></u>		

CITY OF ELLINWOOD, KANSAS
Electric Capital Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 984	5,665
Reimbursements	-	30,000
Transfers In	63,593	62,477
Total Cash Receipts	64,577	98,142
Expenditures		
Electric System Improvements	95,327	183,609
Cash Receipts Over (Under) Expenditures	(30,750)	(85,467)
Unencumbered Cash - Beginning	659,809	629,059
Unencumbered Cash - Ending	\$ 629,059	543,592

CITY OF ELLINWOOD, KANSAS
Solid Waste Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Solid Waste Charges	\$ 182,258	184,466	182,900	1,566
Other Income	1,895	2,410	-	2,410
Reimbursements	-	714	-	714
Sale of Property	-	50	-	50
Interest	33	11	50	(39)
Total Cash Receipts	184,186	187,651	182,950	4,701
Expenditures				
Personnel Services	86,819	71,057	93,640	(22,583)
Contractual Services	54,364	53,580	55,937	(2,357)
Commodities	22,221	26,943	21,530	5,413
Capital Outlay	3,221	1,414	2,000	(586)
Principal Payments	13,316	13,940	13,949	(9)
Interest Payments	1,806	1,181	1,172	9
Transfers Out	7,200	17,200	31,000	(13,800)
Total Expenditures	188,947	185,315	219,228	(33,913)
Cash Receipts Over (Under) Expenditures	(4,761)	2,336		(29,212)
Unencumbered Cash - Beginning	23,912	19,151		
Unencumbered Cash - Ending	\$ 19,151	21,487		

CITY OF ELLINWOOD, KANSAS
Water Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Sales to Customers	\$ 279,311	288,879	259,700	29,179
Connection Fees	1,840	1,535	1,500	35
Rental Fees	13,953	22,040	19,000	3,040
Water Tank Sales	12,940	15,115	5,000	10,115
Interest	89	83	200	(117)
Total Cash Receipts	<u>308,133</u>	<u>327,652</u>	<u>285,400</u>	<u>42,252</u>
Expenditures				
Production and Maintenance	259,153	232,793	252,652	(19,859)
Land Purchases	-	6,278	-	6,278
Transfers Out	50,000	77,500	115,000	(37,500)
Total Expenditures	<u>309,153</u>	<u>316,571</u>	<u>367,652</u>	<u>(51,081)</u>
Cash Receipts Over (Under) Expenditures	(1,020)	11,081		<u>(8,829)</u>
Unencumbered Cash - Beginning	<u>71,192</u>	<u>70,172</u>		
Unencumbered Cash - Ending	\$ <u>70,172</u>	<u>81,253</u>		

CITY OF ELLINWOOD, KANSAS
Water Capital Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 35	6
Transfers In	-	20,000
Total Cash Receipts	35	20,006
Expenditures		
Water System Improvements	17,231	20,352
Cash Receipts Over (Under) Expenditures	(17,196)	(346)
Unencumbered Cash - Beginning	28,432	11,236
Unencumbered Cash - Ending	\$ 11,236	10,890

CITY OF ELLINWOOD, KANSAS
Wastewater Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Sewer Service Charges	\$ 212,918	211,840	225,450	(13,610)
Other Income	89	105	-	105
Interest	29	15	60	(45)
Transfers In	-	25,000	25,000	-
Total Cash Receipts	<u>213,036</u>	<u>236,960</u>	<u>250,510</u>	<u>(13,550)</u>
Expenditures				
Personnel Services	40,570	43,656	69,202	(25,546)
Contractual Services	23,167	29,942	32,054	(2,112)
Commodities	13,220	18,043	15,935	2,108
Capital Outlay	-	1,745	28,000	(26,255)
Principal Payments	109,474	113,429	113,429	-
Interest Payments	27,553	23,875	23,875	-
Commissions and Fees	2,069	1,792	1,792	-
Total Expenditures	<u>216,053</u>	<u>232,482</u>	<u>284,287</u>	<u>(51,805)</u>
Cash Receipts Over (Under) Expenditures	(3,017)	4,478		<u>(65,355)</u>
Unencumbered Cash - Beginning	<u>48,785</u>	<u>45,768</u>		
Unencumbered Cash - Ending	\$ <u>45,768</u>	<u>50,246</u>		

CITY OF ELLINWOOD, KANSAS
Ambulance Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Contributions	\$ 3,058	19,225	1,000	18,225
Interest	14	13	20	(7)
Total Cash Receipts	3,072	19,238	<u>1,020</u>	18,218
Expenditures				
Capital Outlay	8,859	4,430	<u>7,000</u>	(2,570)
Cash Receipts Over (Under) Expenditures	(5,787)	14,808		<u>15,648</u>
Unencumbered Cash - Beginning	14,676	8,889		
Unencumbered Cash - Ending	\$ <u>8,889</u>	<u>23,697</u>		

CITY OF ELLINWOOD, KANSAS
Prairie Enterprise Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
State Grants	\$ 17,355	39,387
Other Income	32,655	31,413
Interest	72	82
Total Cash Receipts	<u>50,082</u>	<u>70,882</u>
Expenditures		
Personnel Services	48,439	50,728
Contractual Services	4,504	5,238
Commodities	576	1,089
Capital Outlay	1,000	-
Total Expenditures	<u>54,519</u>	<u>57,055</u>
Cash Receipts Over (Under) Expenditures	(4,437)	13,827
Unencumbered Cash - Beginning	<u>53,049</u>	<u>48,612</u>
Unencumbered Cash - Ending	<u>\$ 48,612</u>	<u>62,439</u>

CITY OF ELLINWOOD, KANSAS
Agency Fund
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2012

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Payroll Clearing Fund	\$ -	2,822,929	2,822,929	-
