

**CITY OF CHERRYVALE, KANSAS**

Statutory Basis Financial Statement  
and Independent Auditors' Report  
with Supplemental Information

For the Year Ended December 31, 2011

**CITY OF CHERRYVALE, KANSAS**

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**JARRED, GILMORE & PHILLIPS, PA**  
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and City Council  
City of Cherryvale, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of Cherryvale, Kansas, as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City of Cherryvale, Kansas' management. Our responsibility is to express an opinion on the financial statement based on our audit. The prior year summarized comparative information has been derived from the City's 2010 financial statement and, in our report dated July 5, 2011, we expressed an unqualified opinion on the financial statement of the City of Cherryvale, Kansas, prepared in accordance with the statutory basis of accounting.

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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

The financial statement, referred to above, do not include financial data of the Cherryvale Housing Authority, a component unit, which should be included in order to conform with accounting principles generally accepted in the United States of America. The effect on the financial statements, although not reasonably determinable, is presumed to be material.

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

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

Our audit was conducted for the purpose of forming an opinion on the financial statement. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, the schedule of cash receipts and cash disbursements-agency funds, and the component unit schedules of cash receipts and expenditures - actual (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the statutory financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

July 2, 2012  
Chanute, Kansas

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

Funds	Beginning Unencumbered Cash Balances		Cash Receipts	Expenditures	Ending Unencumbered Cash Balances		Add Encumbrances and Accounts Payable	Cash Balance December 31,	
	2010	2011			2010	2011		2010	2011
General	\$ 260,073.62	\$ 1,512,453.21	\$ 1,546,871.89	\$ 48,480.31	\$ 225,654.94	\$ 274,135.25	\$ 307,462.20		
Special Revenue Funds:									
Library	14,971.64	36,437.99	48,901.84	-	2,507.79	2,507.79	16,423.27		
Special Parks and Recreation	41,020.24	-	19,133.83	243.79	21,886.41	22,130.20	41,020.24		
Special Highway	29,384.22	123,624.65	109,885.29	4,489.18	43,123.58	47,612.76	32,678.58		
Special Law Enforcement	80.00	-	80.00	-	-	-	80.00		
Community Development Block Grant Fund	(4,675.00)	4,675.00	-	-	-	-	(4,675.00)		
FEMA Fire Department Grant	1,190.45	-	1,190.45	-	-	-	1,190.45		
Small Grants	829.55	-	829.55	-	-	-	829.55		
Capital Improvements Reserve	103,107.61	190,735.30	186,412.57	49,621.90	107,430.34	157,052.24	103,107.61		
Municipal Equipment Reserve	147,978.44	50,000.00	43,200.53	-	154,777.91	154,777.91	147,978.44		
HAZ Sub Brownfields Grant	(15,621.19)	42,435.98	26,814.79	-	-	93.11	(15,621.19)		
Petroleum Brownfields Grant	(9,820.93)	52,624.20	42,803.27	-	-	93.11	(9,820.93)		
KAN STEP Grant	-	38,876.00	72,244.69	30,064.16	(33,368.69)	(3,304.53)	-		
RBEG Loan	-	147,733.33	118,333.33	-	29,400.00	29,400.00	-		
KHRC Infrastructure Grant	-	122,981.55	122,981.55	-	-	-	-		
KHRC Homes Grant	-	154,008.75	154,708.75	-	(700.00)	(700.00)	-		
Debt Service Fund:									
Bond and Interest	31,743.43	286,149.58	317,893.01	-	-	-	31,743.43		
Capital Projects Funds:									
2009 Water Project-KPWSLF	(104,940.73)	178,148.60	73,207.87	-	-	-	(104,940.73)		
Enterprise Funds:									
Water Utility	467,253.50	640,585.39	617,064.68	29,178.38	490,774.21	519,952.59	501,278.26		
Sewer Utility	657,552.96	354,100.86	553,087.78	4,436.18	458,566.04	463,002.22	661,310.96		
Refuse Utility	6,885.30	130,136.91	129,399.76	116.34	7,622.45	7,738.79	7,326.41		
Trust Funds									
Cemetery	1,713.79	-	-	-	1,713.79	1,713.79	1,713.79		
Total Reporting Entity (Excluding Agency Funds)	1,628,726.90	4,065,707.30	4,185,045.43	166,816.46	1,509,388.77	1,676,205.23	1,719,085.34		
Component Units									
Cherryvale Public Library	1,157.61	47,391.94	43,073.87	3,023.52	5,475.68	8,499.20	4,874.94		
Cherryvale Firefighters Relief Association	116,256.90	5,283.89	5,293.75	-	116,247.04	116,247.04	116,256.90		
Total Reporting Entity (Excluding Agency Funds)	\$ 1,746,141.41	\$ 4,118,383.13	\$ 4,233,413.05	\$ 1,631,111.49	\$ 1,631,111.49	\$ 1,800,951.47	\$ 1,840,217.18		

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

**Statement 1 (Continued)**

**CITY OF CHERRYVALE, KANSAS**

Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended December 31, 2011

	Ending Cash Balance December 31,	
	2011	2010
Total Cash to be Accounted for:	<u>\$ 1,800,951.47</u>	<u>\$ 1,840,217.18</u>
Composition of Cash:		
Cash on Hand .....	\$ 300.00	\$ 300.00
Checking Accounts:		
Petty Cash Checking .....	1,250.00	1,250.00
PSB Operating Account .....	505,213.19	510,282.36
PSB Money Market.....	-	847,550.16
CNB Money Market.....	1,074,951.07	-
Fire/FEMA Operating Account.....	1,212.95	1,212.95
Small Grants Operating Account.....	38,876.00	369.50
Rural Business Enterprise Grant Account.....	29,400.00	-
Firefighters Auxiliary Fund Account .....	3,571.52	3,336.33
Volunteer Firefighters Fund Account .....	9.10	97.90
FSA Fund Account .....	426.84	1,182.07
Investments:		
Certificates of Deposit .....	25,000.00	25,000.00
State Municipal Investment Pool .....	2.02	333,120.37
Total Primary Government	1,680,212.69	1,723,701.64
Total Component Units	<u>124,746.24</u>	<u>121,131.84</u>
Total Cash	1,804,958.93	1,844,833.48
Agency Funds Per Schedule 3 .....	<u>(4,007.46)</u>	<u>(4,616.30)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 1,800,951.47</u>	<u>\$ 1,840,217.18</u>

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

## CITY OF CHERRYVALE, KANSAS

Notes to the Financial Statement  
For the Year Ended December 31, 2011

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Cherryvale, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from generally accepted accounting principles.

#### Reporting Entity

The City of Cherryvale, Kansas (the City) is a municipal corporation governed by an elected mayor and four council members. This financial statement present the City of Cherryvale, Kansas (the primary government), and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

*Discretely Presented Component Units.* Component units should be included in the City's reporting entity because of the significance of their operational or financial relationships with City. These component units should be reported separately to emphasize that they are legally separate from the City. Based upon the application of this criterion, the following is a brief review of potential component units:

#### Cherryvale Public Library

The City of Cherryvale Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Separately internal financial statements are available at the Library.

#### Cherryvale Firefighters Relief Association

The Firefighters Relief Association is operated by the City's firefighters. Officers are elected by the firefighters. The Firemen's Relief Association is housed in the City's offices but is operated independent of the City's governing body. Separately internal financial statements are not prepared.

#### Cherryvale Housing Authority

The Cherryvale Housing Authority operates the City's housing projects. The Cherryvale Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. The Cherryvale Housing Authority's financial statements should be included with the City's financial statements. However, the statements are omitted in an apparent departure from accounting principles generally accepted in the United States of America. Separately internal audited financial statements are available at the Housing Authority.

There are no other separate entities related to the City which should be accounted for in the City's financial statement.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation - Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Cherryvale, Kansas, for the year of 2011.

**GOVERNMENTAL FUNDS**

General Fund - The General Fund is the principal fund of the City which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City, other than proprietary fund activities, are financed through cash receipts received by the General Fund.

Special Revenue Funds - These funds are used to account for cash receipts derived from specific taxes, governmental grants or other cash receipts sources which are designated to finance particular functions or activities of the City.

Debt Service Funds - The Bond and Interest Fund is used to account for the payment of principal and interest on the City's general obligation bonds, which are recorded in the general long-term debt group of accounts. Cash receipts for this purpose include ad valorem property taxes, special assessment taxes, and investment interest income.

Capital Project Funds - The Capital Project Funds account for capital improvements (except for those financed by proprietary funds), which are financed from the City's general obligation bond issues, special assessments, certain federal grants and other specific receipts.

**PROPRIETARY FUNDS**

Enterprise Funds - Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation), federal grants and other City funds.

**FIDUCIARY FUNDS**

Expendable Trust Funds

These funds account for funds held in trust for others. The funds are accounted for in essentially the same manner as governmental funds.

Non-Expendable Trust Funds

These funds are used to account for assets held by the City in a trustee capacity for others, the principal of which may not be expended.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation – Statutory Basis of Accounting

The statutory basis of accounting, as used in preparation of this statutory basis financial statement and schedules, 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 municipality to use the statutory basis of accounting.

Departures 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 non-cash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statement.

Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, of which are a multi-employer state-wide pension plan. The City's policy is to fund all pension costs accrued. Such costs to be funded are actuarially determined annually by the State of Kansas.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget schedules comparisons presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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 the following timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

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

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY** (Continued)

Budgetary Information (Continued)

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are 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 projects funds, fiduciary funds, permanent funds, in addition, an operating budget is not required for enterprise principal and interest funds and enterprise reserve funds.

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

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in apparent violation with K.S.A. 10-1,113. The City has obligated expenditures in excess of available monies in the KAN STEP Grant Fund and the KHRC Home Grant Fund, however, K.S.A 10-1,116 provides that under certain situations, the fund can end the year with a negative unencumbered cash balance and therefore, exempt from the cash basis laws of the State of Kansas. These two funds met the criteria under the statutes and therefore, is deemed not to be in violation of the Kansas cash basis law. As shown in Schedule 1, the City was in compliance with Kansas budget laws.

**3. DEPOSITS AND INVESTMENTS**

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		<u>Rating</u>
		<u>Less than 1</u>	<u>1 - 2</u>	
Kansas Investment Pool	\$ 2.02	\$ 2.02	\$ - -	S&P AA Af/S1+

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 branch 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 bank 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. The rating of the City's investments is noted above.

**3. DEPOSITS AND INVESTMENTS** (Continued)

*Concentration of credit risk.* State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of investments as of December 31, 2011, is as follows:

<u>Investments</u>	<u>Percentage of</u>
Kansas Municipal Investment Pool	<u>Investments</u>
	100%

*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. All deposits were legally secured at December 31, 2011.

*Deposits:* At year-end, the City's carrying amount of deposits was \$1,679,910.67 and the bank balance was \$1,696,696.10. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$599,523.97 was covered by FDIC insurance, and \$1,097,172.13 was collateralized with pledged 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.

At December 31, 2011, the City has invested \$2.02 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

**4. CAPITAL LEASE OBLIGATIONS**

The City has entered into a capital lease agreement in order to finance the acquisition of a 2007 fire truck. Payments are made annually, including interest at approximately 4.80%. Final maturity of the lease is January 11, 2012. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2012	\$ 57,474.87
	57,474.87
Less imputed interest	<u>(2,667.31)</u>
Net Present Value of Minimum	
Lease Payments	54,807.56
Less: Current Maturities	<u>(54,807.56)</u>
Long-Term Capital Lease Obligations	<u>\$ 0.00</u>

**4. CAPITAL LEASE OBLIGATIONS** (Continued)

The City has entered into a capital lease agreement in order to finance the acquisition of a Chair Lift for the Library. Payments are made semi-annually, including interest at approximately 8.62%. Final maturity of the lease is June 11, 2017. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2012	\$ 12,492.94
2013	12,492.94
2014	12,492.94
2015	12,492.94
2016	12,492.94
2017	<u>1,112.97</u>
	63,577.67
Less imputed interest	<u>(8,059.92)</u>
Net Present Value of Minimum Lease Payments	55,517.75
Less: Current Maturities	<u>(9,838.52)</u>
Long-Term Capital Lease Obligations	<u>\$ 45,679.23</u>

**5. LONG-TERM LIABILITIES**

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

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
<b>General Obligation Bonds:</b>										
Water System Refunding Bonds Series 2001	2.80%-4.90%	November 1, 2001	\$ 615,000.00	August 1, 2016	\$ 290,000.00	\$ -	\$ (45,000.00)	\$	\$ 245,000.00	\$ 13,500.00
Sewer System Bonds Series 2003	4.25%	September 1, 2003	1,504,900.00	September 23, 2043	1,386,111.00	-	(19,975.00)		1,366,136.00	58,909.72
Sewer System Bonds Series 2007	4.13%	May 7, 2007	1,480,000.00	May 7, 2047	1,432,812.00	-	(17,102.50)		1,415,709.50	59,103.50
<b>Revolving Loans</b>										
Water Supply Loan - KPWSL No. 2553	3.82%	June 22, 2009	92,035.09	August 1, 2030	699,377.05	178,148.60	(253,391.15)		624,134.50	26,363.17
<b>Capital Leases:</b>										
2007 Fire Truck	4.80%	January 11, 2007	249,890.00	January 11, 2012	107,071.61	-	(52,264.05)		54,807.56	5,210.82
Library Chair Lift	8.62%	October 16, 2009	91,900.00	June 11, 2018	67,979.56	-	(12,461.81)		55,517.75	31.13
Total Contractual Indebtedness					3,983,351.22	178,148.60	(400,194.51)		3,761,305.31	163,118.34
<b>Compensated Absences</b>										
Vacation Benefits	N/A	N/A	N/A	N/A	32,433.90			\$ (678.86)	31,755.04	N/A
Total Long-Term Liabilities					\$ 4,015,785.12	\$ 178,148.60	\$ (400,194.51)	\$ (678.86)	\$ 3,793,060.35	\$ 163,118.34

## 5. LONG-TERM LIABILITIES (Continued)

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

Issue	2012	2013	2014	2015	2016	2017-2021	2022-2026	2027-2031	2032-2036	2037-2041	2042-2046	2047	Total
<b>Principal</b>													
General Obligation Bonds:													
Water System Refunding													
Bonds Series 2001	\$ 45,000.00	\$ 50,000.00	\$ 50,000.00	\$ 55,000.00	\$ 45,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,000.00
Sewer System Bonds Series 2003	20,824.00	21,709.00	22,631.00	23,593.00	24,596.00	139,576.00	171,867.00	211,627.00	260,586.00	320,874.00	148,253.00	-	1,366,136.00
Sewer System Bonds Series 2007	17,647.99	18,535.96	19,300.57	20,096.72	20,774.26	118,129.69	144,595.36	176,992.00	216,568.60	265,213.12	324,642.38	73,212.85	1,415,709.50
Water Supply Loan	22,175.93	23,783.29	24,700.48	25,653.05	26,642.35	149,439.41	180,564.81	171,175.18	-	-	-	-	624,134.50
Capital Leases													
Fire Truck	54,807.56	-	-	-	-	-	-	-	-	-	-	-	54,807.56
Library Chair Lift	9,838.52	10,336.59	10,859.88	11,409.66	11,987.27	1,085.83	-	-	-	-	-	-	55,517.75
<b>Total Principal Payments</b>	<b>170,294.00</b>	<b>124,364.84</b>	<b>127,491.93</b>	<b>135,752.43</b>	<b>128,999.88</b>	<b>408,230.93</b>	<b>497,027.17</b>	<b>559,794.18</b>	<b>477,154.60</b>	<b>586,087.12</b>	<b>472,895.38</b>	<b>73,212.85</b>	<b>3,761,305.31</b>
<b>Interest</b>													
General Obligation Bonds:													
Water System Refunding													
Bonds Series 2001	11,520.00	9,495.00	7,591.00	4,845.00	2,205.00	-	-	-	-	-	-	-	35,656.00
Sewer System Bonds Series 2003	58,060.78	57,175.76	56,253.13	55,291.31	54,288.61	254,845.86	222,555.42	182,794.62	133,835.35	73,549.53	9,516.68	-	1,158,167.05
Sewer System Bonds Series 2007	58,398.02	57,670.04	56,905.43	56,109.28	55,280.29	262,758.90	236,305.04	203,922.28	164,281.75	115,759.20	56,356.45	3,020.03	1,326,766.71
Water Supply Loan	24,377.19	22,769.83	21,852.64	20,900.07	19,910.77	83,326.19	52,200.79	15,037.30	-	-	-	-	260,374.78
Capital Leases													
Fire Truck	2,667.31	-	-	-	-	-	-	-	-	-	-	-	2,667.31
Library Chair Lift	2,654.42	2,156.35	1,633.06	1,083.28	505.67	27.14	-	-	-	-	-	-	8,059.92
<b>Total Interest Payments</b>	<b>157,677.72</b>	<b>149,266.98</b>	<b>144,235.26</b>	<b>138,228.94</b>	<b>132,190.34</b>	<b>600,958.09</b>	<b>511,061.25</b>	<b>401,754.20</b>	<b>298,117.10</b>	<b>189,308.73</b>	<b>65,873.13</b>	<b>3,020.03</b>	<b>2,791,691.77</b>
<b>Total Principal and Interest</b>	<b>\$327,971.72</b>	<b>\$273,631.82</b>	<b>\$271,727.19</b>	<b>\$273,981.37</b>	<b>\$261,190.22</b>	<b>\$ 1,009,189.02</b>	<b>\$1,008,088.42</b>	<b>\$ 961,548.38</b>	<b>\$775,271.70</b>	<b>\$ 775,395.85</b>	<b>\$ 538,768.51</b>	<b>\$ 76,232.88</b>	<b>\$6,552,997.08</b>

**6. OPERATING LEASES**

As of December 31, 2011, the City has entered into an operating lease for office equipment. Rent expense for the year ended December 31, 2011, was \$564.00. Under the current lease agreements, the future minimum rental payments are as follows:

2012	\$	564.00
2013		564.00
2014		470.00

**7. INDUSTRIAL REVENUE BONDS**

The City has entered into various agreements to induce businesses to locate or expand operations in Cherryvale, Kansas. In connection therewith, the City has issued industrial revenue bonds (IRB's), which require the businesses to make lease payments to trust accounts sufficient to pay debt service on the IRB's. The City is under no obligation to pay the IRB debt, which is to be paid from the lease payments made by the related businesses. At December 31, 2011, there was one industrial revenue bond issue with principal balance due totaling \$274,533.41.

**8. DEFINED BENEFIT PENSION PLAN**

Plan Description

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

Funding Policy

K.S.A 74-4919 establishes the KPERS member-employee contribution rate at 4% and 6% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve bases. State law sets a limitation on annual increases in the employer contribution rates. The employer rates established for 2011 were 7.74%. The City of Cherryvale employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009 were \$60,170.46, \$56,362.96, and \$41,384.83, respectively, equal to the required contributions for each year.

**9. COMPENSATED ABSENCES**

All full-time employees of the Cit are eligible for vacation benefits in varying annual amounts. Full time employees will be granted paid vacation time according to the following schedules:

Years Continuous Employment:	0-4	5-10	10-15	15+
80 Hours Earned per Pay Period	3.08	4.62	5.54	6.15
80 Hours Annual Accrual	80	120	144	160
84 Hours Earned per Pay Period	3.23	4.85	5.88	6.46
84 Hours Annual Accrual	84	126	153	168
Maximum Hours Accrued	126	126	189	252

In the event of termination employees will be compensated for unused vacation leave.

All full time employees are eligible for paid sick leave and starts accruing on the first day of the month following their first full month on employment and is accrued at a rate of eight hours per month. Employees who resign and give two weeks' notice before they leave employment with the City after three years of service, at the discretion of the City Administrator, will be eligible to receive 10% of their sick time up to 92 hours.

The City determines a liability for compensated absences when the following conditions are met:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has estimated a liability for vacation pay, which has been earned, but not taken by City employees. The liability for compensated absences is reflected in the long-term liabilities footnote 5 since it is anticipated that none of the liability will be liquidated with available financial resources. The City has not accrued a liability for sick leave earned, but not taken, by City employees, in accordance with guidance provided by FAS 43, the amounts cannot be reasonably estimated at this time.

**10. OTHER POST EMPLOYMENT BENEFITS**

As provided by K.S.A. 12-5040, the local government 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.

**11. CAPITAL PROJECTS**

The following is a summary of capital project authorizations and expenditures to date:

<u>PROJECT NAME</u>	<u>AUTHORIZED</u>	<u>EXPENDED THRU 12/31/11</u>	<u>ESTIMATED COMPLETION</u>
2009 Waterline Replacement Project	\$ 830,508.30	\$ 830,250.96	Complete

**12. NOTES RECEIVABLE AND LOANS RECEIVABLE**

The City has established an RBEG Revolving Loan Fund. The Fund is the recipient of money paid back to the City by Cherryvale industries which received Rural Business Enterprise Grants in earlier years. As repayment is made by these industries, the City makes loans to other qualifying industries. The loans due to the City at December 31, 2011, through the RBEG Revolving Loan Fund are as follows:

M&B Contracting	\$ 23,240.00
Testosterone Motorsports	23,460.00
Cycles Unlimited	24,120.00
Tangled Up Salon	<u>24,780.00</u>
<b>TOTAL NOTES RECEIVABLE</b>	<b><u>\$ 95,600.00</u></b>

These notes receivable and loans are not reflected in these statutory basis financial statements of the City of Cherryvale, Kansas.

**13. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The City pays annual premium to KMIT for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

**14. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Special Highway	K.S.A. 68-590	\$ 55,000.00
General	Sewer Utility	K.S.A. 12-197	96,171.58
General	Capital Improvement Reserve	K.S.A. 12-1,118	88,015.30
Water Utility	General	K.S.A. 12-825d	55,000.00
Water Utility	Bond and Interest	K.S.A. 12-1,117	105,320.00
Sewer Utility	Capital Improvement Reserve	K.S.A. 12-1,118	100,000.00
Sewer Utility	Municipal Equipment Reserve	K.S.A. 12-1,117	50,000.00
Sewer Utility	Bond and Interest	K.S.A. 12-1,118	157,379.01
Sewer Utility	General	K.S.A. 12-825d	124,998.77

Residual transfers were as follows:

Special Law Enforcement	General	N/A	80.00
FEMA Fire Department Grant	General	N/A	1,190.45
Small Grants	General	N/A	460.05

**15. RELATED PARTY TRANSACTIONS**

During the year, the City contracted with B & L Trenching, LLC, which is owed by Lew Forman, Jr., a city council member. The city paid a total of \$53,097.25 to the company during 2011 for a number of small jobs and one larger sidewalk project.

**16. SUBSEQUENT EVENTS**

Subsequent to year end, the City entered into a five year capital lease obligation for the purchase of an ambulance with payments due annually of \$37,087.41, including interest at 3.2%.

## **SUPPLEMENTAL INFORMATION**

**CITY OF CHERRYVALE, KANSAS**  
 Summary of Expenditures - Actual and Budget  
 (Budgeted Funds Only)  
 For the Year Ended December 31, 2011

Funds	Certified	Adjustments for	Total	Expenditures	Variance -
	Budget	Qualifying Budget Credits	Budget for Comparison	Charged to Current Year Budget	Over (Under)
General	\$ 1,751,503.00	\$ 18,811.68	\$ 1,770,314.68	\$ 1,546,871.89	\$ (223,442.79)
Special Revenue Funds:					
Library	49,008.00	-	49,008.00	48,901.84	(106.16)
Special Parks and Recreation	30,300.00	-	30,300.00	19,133.83	(11,166.17)
Special Highway	139,716.00	495.70	140,211.70	109,885.29	(30,326.41)
Ambulance Fund	3,029.00	-	3,029.00	-	(3,029.00)
Debt Service Fund:					
Bond and Interest	318,243.00	-	318,243.00	317,893.01	(349.99)
Enterprise Funds:					
Water Utility	686,181.00	-	686,181.00	617,064.68	(69,116.32)
Sewer Utility	554,533.00	-	554,533.00	553,087.78	(1,445.22)
Refuse Utility	139,500.00	-	139,500.00	129,399.76	(10,100.24)

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**GENERAL FUND**

Schedule of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 135,055.15	\$ 199,999.68	\$ 223,645.00	\$ (23,645.32)
Delinquent Tax	18,018.01	17,832.51	20,250.00	(2,417.49)
Motor Vehicle Tax	53,000.76	35,901.14	39,912.00	(4,010.86)
Recreational Vehicle Tax	341.55	312.48	258.00	54.48
16-20M Truck Tax	235.24	288.04	259.00	29.04
Sales Tax	472,774.53	447,909.92	484,000.00	(36,090.08)
Compensating Use Tax	85,712.87	125,202.75	90,450.00	34,752.75
Franchise Taxes	176,932.40	178,210.21	182,000.00	(3,789.79)
In Lieu of Taxes	581.32	838.82	581.00	257.82
Nuisance Tax	3,542.50	1,150.00	3,000.00	(1,850.00)
Local Alcoholic Liquor Tax	1,109.75	-	900.00	(900.00)
Drug Tax	118.58	98.04	-	98.04
Intergovernmental				
Federal Grants - EPA	15,382.85	14,607.06	-	14,607.06
Licenses and Permits				
Licenses, Permits & Fees	4,319.90	2,302.00	3,220.00	(918.00)
Charges for Services				
Grave Openings/Sale of Lots	10,455.00	11,120.00	9,000.00	2,120.00
County Ambulance	75,854.07	64,354.77	67,814.00	(3,459.23)
Ambulance Fees	126,401.02	123,342.17	125,000.00	(1,657.83)
Swimming Pool Fees	4,764.13	4,655.36	4,300.00	355.36
Refuse Collection Retainage	11,655.00	11,476.00	11,700.00	(224.00)
VIN Inspections	780.00	780.00	500.00	280.00
Fines, Forfeitures and Penalties				
Fines	45,118.59	47,986.28	62,300.00	(14,313.72)
Use of Money and Property				
Interest	10,879.42	12,000.84	10,499.00	1,501.84
Rental Income	3,815.00	3,550.00	4,000.00	(450.00)
Sale of Property	2,097.60	3,941.10	-	3,941.10

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**GENERAL FUND**

Schedule 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 (continued)				
Other Revenues				
Donations	\$ 800.00	\$ 2,500.00	\$ -	\$ 2,500.00
Miscellaneous	705.55	1,553.09	31.00	1,522.09
Reimbursed Expense	15,922.72	18,811.68	24,630.00	(5,818.32)
Operating Transfers from:				
Water Utility Fund	41,000.00	55,000.00	55,000.00	-
Sewer Utility Fund	95,000.00	124,998.77	174,999.00	(50,000.23)
Residual Transfers from:				
Secpial Law Enforcement Fund	-	80.00	-	80.00
Small Grants Fund	-	460.05	-	460.05
FEMA Fire Department Grant Fund	-	1,190.45	-	1,190.45
Industrial Fund	392.40	-	392.00	(392.00)
Ambulance Fund	3,028.60	-	3,029.00	(3,029.00)
<b>Total Cash Receipts</b>	<b>1,415,794.51</b>	<b>1,512,453.21</b>	<b>\$ 1,601,669.00</b>	<b>\$ (89,215.79)</b>
Expenditures and Transfers				
Subject to Budget				
Governing Body				
Personal Services	13,907.82	14,061.55	\$ 14,054.00	\$ 7.55
Contractual Services	23,753.24	27,291.63	30,156.00	(2,864.37)
Commodities	9,014.47	16,261.24	16,300.00	(38.76)
City Administrator's Office				
Personal Services	77,942.16	80,671.13	82,370.00	(1,698.87)
Contractual Services	4,520.47	20,198.62	17,984.00	2,214.62
Commodities	9,863.48	11,898.14	10,300.00	1,598.14
City Clerk's Office				
Personal Services	146,382.40	148,605.85	150,074.00	(1,468.15)
Contractual Services	11,682.84	14,597.07	13,526.00	1,071.07
Commodities	22,582.86	25,620.82	26,800.00	(1,179.18)

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS  
GENERAL FUND**

Schedule 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 and Transfers				
Subject to Budget (Continued)				
Police Department				
Personal Services	\$ 278,343.41	\$ 265,091.43	\$ 308,494.00	\$ (43,402.57)
Contractual Services	13,330.34	10,042.53	11,600.00	(1,557.47)
Commodities	40,125.94	40,386.18	46,750.00	(6,363.82)
Capital Outlay	1,084.04	-	-	-
Fire Department				
Personal Services	333,407.25	352,326.50	346,251.00	6,075.50
Contractual Services	22,534.97	33,862.22	22,225.00	11,637.22
Commodities	64,574.74	50,788.07	63,050.00	(12,261.93)
Capital Outlay	26.06	1,330.00	-	1,330.00
Parks and Cemetery				
Personal Services	43,102.87	35,042.84	38,785.00	(3,742.16)
Contractual Services	4,822.14	1,334.02	5,000.00	(3,665.98)
Commodities	14,139.69	3,579.00	4,675.00	(1,096.00)
Swimming Pool				
Personal Services	33,447.12	26,085.65	28,592.00	(2,506.35)
Contractual Services	3,534.18	1,730.72	2,560.00	(829.28)
Commodities	5,394.22	3,828.65	7,950.00	(4,121.35)
Street and Street Lighting Department				
Contractual Services	28,229.24	38,764.90	31,300.00	7,464.90
Animal Control				
Personal Services	19,376.03	-	-	-
Contractual Services	609.85	-	-	-
Commodities	2,930.31	-	-	-
Municipal Court				
Personal Services	3,173.50	-	-	-
Contractual Services	931.86	10,174.00	13,024.00	(2,850.00)
Commodities	4,081.05	3,100.76	-	3,100.76

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**GENERAL FUND**

Schedule 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 and Transfers Subject to Budget (Continued)				
Building Inspector				
Personal Services	\$ 4,262.30	\$ 4,292.53	\$ 22,240.00	\$ (17,947.47)
Contractual Services	7,449.21	4,583.50	-	4,583.50
Employee Benefits				
Personal Services	4,539.00	9,708.35	11,500.00	(1,791.65)
Neighborhood Revitalization				
Rebates	8,133.03	8,565.58	7,011.00	1,554.58
Capital Outlay	20,459.39	36,342.41	135,000.00	(98,657.59)
Smelter Site	11,342.05	570.73	5,000.00	(4,429.27)
Armory Building	6,758.63	6,948.39	3,643.00	3,305.39
Operating Transfers to:				
Special Highway Fund	70,000.00	55,000.00	55,000.00	-
Capital Improvements				
Reserve Fund	78,930.32	88,015.30	88,116.00	(100.70)
Sewer Utility Fund	118,396.48	96,171.58	132,173.00	(36,001.42)
Municipal Equipment				
Reserve Fund	30,000.00	-	-	-
Total Certified Budget			1,751,503.00	(204,631.11)
Adjustments for Qualifying Budget Credits			18,811.68	(18,811.68)
Total Expenditures and Transfers Subject to Budget	1,597,118.96	1,546,871.89	\$ 1,770,314.68	\$ (223,442.79)
Receipts Over(Under) Expenditures	(181,324.45)	(34,418.68)		
Unencumbered Cash, Beginning	441,398.07	260,073.62		
Unencumbered Cash, Ending	\$ 260,073.62	\$ 225,654.94		

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**LIBRARY FUND**

Schedule of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 37,236.69	\$ 22,615.42	\$ 25,296.00	\$ (2,680.58)
Delinquent Tax	2,719.28	2,047.77	1,500.00	547.77
Motor Vehicle Tax	9,223.97	11,577.50	10,995.00	582.50
Recreational Vehicle Tax	59.58	102.42	71.00	31.42
16-20M Truck Tax	28.74	-	72.00	(72.00)
In Lieu of Taxes	160.14	94.88	150.00	(55.12)
<b>Total Cash Receipts</b>	<b>49,428.40</b>	<b>36,437.99</b>	<b>\$ 38,084.00</b>	<b>\$ (1,646.01)</b>
Subject to Budget				
Culture and Recreation				
Appropriations	34,105.60	36,408.90	\$ 36,000.00	\$ 408.90
Commodities	747.50	-	-	-
Neighborhood Revitalization				
Rebate	-	-	765.00	(765.00)
Debt Service				
Lift Lease Payment	12,492.94	12,492.94	12,243.00	249.94
<b>Total Expenditures and Transfers Subject to Budget</b>	<b>47,346.04</b>	<b>48,901.84</b>	<b>\$ 49,008.00</b>	<b>\$ (106.16)</b>
Receipts Over(Under) Expenditures	2,082.36	(12,463.85)		
Unencumbered Cash, Beginning	12,889.28	14,971.64		
Unencumbered Cash, Ending	<u>\$ 14,971.64</u>	<u>\$ 2,507.79</u>		

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**INDUSTRIAL FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Taxes and Shared Revenue		
Ad Valorem Property Tax	\$ -	\$ -
Delinquent Tax	-	-
Motor Vehicle Tax	-	-
Recreational Vehicle Tax	-	-
16-20M Truck Tax	-	-
Total Cash Receipts	-	-
Expenditures and Transfers		
Residual Transfer to		
General Fund	392.40	-
Total Expenditures and Transfers	392.40	-
Receipts Over(Under) Expenditures	(392.40)	-
Unencumbered Cash, Beginning	392.40	-
Unencumbered Cash, Ending	\$ -	\$ -

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**SPECIAL PARKS AND RECREATION FUND**

Schedule of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Local Alcoholic Liquor Tax	\$ 859.75	\$ -	\$ 900.00	\$ (900.00)
Total Cash Receipts	<u>859.75</u>	<u>-</u>	<u>\$ 900.00</u>	<u>\$ (900.00)</u>
Expenditures and Transfers				
Subject to Budget				
Culture and Recreation				
Commodities	-	19,133.83	\$ 30,300.00	\$ (11,166.17)
Total Expenditures and Transfers				
Subject to Budget	<u>-</u>	<u>19,133.83</u>	<u>\$ 30,300.00</u>	<u>\$ (11,166.17)</u>
Receipts Over(Under) Expenditures	859.75	(19,133.83)		
Unencumbered Cash, Beginning	<u>40,160.49</u>	<u>41,020.24</u>		
Unencumbered Cash, Ending	<u>\$ 41,020.24</u>	<u>\$ 21,886.41</u>		

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**SPECIAL HIGHWAY FUND**

Schedule of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2011  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Highway Gas Tax	\$ 60,386.52	\$ 60,167.61	\$ 62,020.00	\$ (1,852.39)
County Gas Tax	10,072.61	7,961.34	9,710.00	(1,748.66)
Other Revenue				
Reimbursed Expense	1,244.73	495.70	-	495.70
Operating Transfers from General Fund	70,000.00	55,000.00	55,000.00	-
<b>Total Cash Receipts</b>	<b>141,703.86</b>	<b>123,624.65</b>	<b>\$ 126,730.00</b>	<b>\$ (3,105.35)</b>
Expenditures and Transfers Subject to Budget				
General Government				
Personal Services	84,397.33	75,459.12	\$ 91,305.00	\$ (15,845.88)
Contractual Services	6,081.29	4,905.55	6,711.00	(1,805.45)
Commodities	32,375.98	29,520.62	40,700.00	(11,179.38)
Capital Outlay	-	-	1,000.00	(1,000.00)
Total Certified Budget			139,716.00	(29,830.71)
Adjustments for Qualifying Budget Credits			495.70	(495.70)
<b>Total Expenditures and Transfers Subject to Budget</b>	<b>122,854.60</b>	<b>109,885.29</b>	<b>\$ 140,211.70</b>	<b>\$ (30,326.41)</b>
Receipts Over(Under) Expenditures	18,849.26	13,739.36		
Unencumbered Cash, Beginning	10,534.96	29,384.22		
Unencumbered Cash, Ending	<u>\$ 29,384.22</u>	<u>\$ 43,123.58</u>		

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**AMBULANCE FUND**

Schedule 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				
Charges for Services				
County Tax	\$ -	\$ -	\$ -	\$ -
Total Cash Receipts	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures and Transfers				
Subject to Budget				
Residual Transfer to General Fund	3,028.60	-	\$ 3,029.00	\$ (3,029.00)
Total Expenditures and Transfers Subject to Budget	<u>3,028.60</u>	<u>-</u>	<u>\$ 3,029.00</u>	<u>\$ (3,029.00)</u>
Receipts Over(Under) Expenditures	(3,028.60)	-		
Unencumbered Cash, Beginning	<u>3,028.60</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**SPECIAL LAW ENFORCEMENT FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Charges for Services		
County Tax	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures and Transfers		
Operating Transfers to General Fund	-	80.00
Total Expenditures and Transfers	-	80.00
Receipts Over(Under) Expenditures	-	(80.00)
Unencumbered Cash, Beginning	80.00	80.00
Unencumbered Cash, Ending	\$ 80.00	\$ -

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Intergovernmental		
Federal Grant - CDBG	\$ 106,030.00	\$ 4,675.00
Total Cash Receipts	106,030.00	4,675.00
Expenditures and Transfers		
Improvements		
Personal Services	13,000.00	-
Contractual Services	97,705.00	-
Total Expenditures and Transfers	110,705.00	-
Receipts Over(Under) Expenditures	(4,675.00)	4,675.00
Unencumbered Cash, Beginning	-	(4,675.00)
Unencumbered Cash, Ending	\$ (4,675.00)	\$ -

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**FEMA FIRE DEPARTMENT GRANT FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Intergovernmental		
Federal Grant - FEMA	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures and Transfers		
Residual Transfers to General Fund	-	1,190.45
Total Expenditures and Transfers	-	1,190.45
Receipts Over(Under) Expenditures	-	(1,190.45)
Unencumbered Cash, Beginning	1,190.45	1,190.45
Unencumbered Cash, Ending	\$ 1,190.45	\$ -

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**SMALL GRANTS FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Intergovernmental		
Federal Grant - Click Step	\$ 437.55	\$ -
Total Cash Receipts	437.55	-
Expenditures and Transfers		
Capital Improvements		
Capital Outlay	-	369.50
Residual Transfers to General Fund	-	460.05
Total Expenditures and Transfers	-	829.55
Receipts Over(Under) Expenditures	437.55	(829.55)
Unencumbered Cash, Beginning	392.00	829.55
Unencumbered Cash, Ending	\$ 829.55	\$ -

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**CAPITAL IMPROVEMENTS RESERVE FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Other Revenues		
Donations	\$ -	\$ 2,720.00
Operating Transfers from:		
General Fund	78,930.32	88,015.30
Sewer Utility Fund	200,000.00	100,000.00
Total Cash Receipts	278,930.32	190,735.30
Expenditures and Transfers		
General Government		
Capital Outlay	260,820.57	186,412.57
Total Expenditures and Transfers	260,820.57	186,412.57
Receipts Over(Under) Expenditures	18,109.75	4,322.73
Unencumbered Cash, Beginning	84,997.86	103,107.61
Unencumbered Cash, Ending	\$ 103,107.61	\$ 107,430.34

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**MUNICIPAL EQUIPMENT RESERVE FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Operating Transfers from:		
General Fund	\$ 30,000.00	\$ -
Sewer Utility Fund	100,000.00	50,000.00
	130,000.00	50,000.00
 Total Cash Receipts	 130,000.00	 50,000.00
 Expenditures and Transfers		
Capital Projects		
Capital Outlay	32,101.61	43,200.53
	32,101.61	43,200.53
 Total Expenditures and Transfers	 32,101.61	 43,200.53
 Receipts Over(Under) Expenditures	 97,898.39	 6,799.47
 Unencumbered Cash, Beginning	 50,080.05	 147,978.44
 Unencumbered Cash, Ending	 \$ 147,978.44	 \$ 154,777.91

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**HAZ SUB BROWNFIELDS GRANT FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Intergovernmental		
Federal Grants - EPA	\$ 48,071.76	\$ 42,435.98
	48,071.76	42,435.98
Total Cash Receipts	48,071.76	42,435.98
Expenditures and Transfers		
General Government		
Contractual	62,750.36	26,814.79
	62,750.36	26,814.79
Total Expenditures and Transfers	62,750.36	26,814.79
Receipts Over(Under) Expenditures	(14,678.60)	15,621.19
Unencumbered Cash, Beginning	(942.59)	(15,621.19)
Unencumbered Cash, Ending	\$ (15,621.19)	\$ -

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**PETROLEUM BROWNFIELDS GRANT FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Intergovernmental		
Federal Grants - EPA	\$ 28,515.72	\$ 52,624.20
Total Cash Receipts	<u>28,515.72</u>	<u>52,624.20</u>
Expenditures and Transfers		
General Government		
Contractual Services	<u>37,394.06</u>	<u>42,803.27</u>
Total Expenditures and Transfers	<u>37,394.06</u>	<u>42,803.27</u>
Receipts Over(Under) Expenditures	(8,878.34)	9,820.93
Unencumbered Cash, Beginning	<u>(942.59)</u>	<u>(9,820.93)</u>
Unencumbered Cash, Ending	<u>\$ (9,820.93)</u>	<u>\$ -</u>

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**KAN STEP GRANT FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Intergovernmental		
Federal Grants	\$ -	\$ 38,876.00
 Total Cash Receipts	-	38,876.00
 Expenditures and Transfers		
Capital Improvements		
Contractual Services	-	38,876.00
Commodities	-	33,368.69
 Total Expenditures and Transfers	-	72,244.69
 Receipts Over(Under) Expenditures	-	(33,368.69)
 Unencumbered Cash, Beginning	-	-
 Unencumbered Cash, Ending	\$ -	\$ (33,368.69)

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**RBEG LOAN FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Intergovernmental		
Federal Grants	\$ -	\$ 118,333.33
Use of Money and Property		
Loan Repayments	-	29,400.00
	-	29,400.00
Total Cash Receipts	-	147,733.33
Expenditures and Transfers		
Capital Improvements		
Commodities	-	118,333.33
	-	118,333.33
Total Expenditures and Transfers	-	118,333.33
Receipts Over(Under) Expenditures	-	29,400.00
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 29,400.00

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**KHRC INFRASTRUCTURE GRANT FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Intergovernmental		
State Grants	\$ 296,662.06	\$ 122,981.55
Total Cash Receipts	296,662.06	122,981.55
Expenditures and Transfers		
Capital Improvements		
Contractual Services	67,937.30	8,722.50
Commodities	228,724.76	114,259.05
Total Expenditures and Transfers	296,662.06	122,981.55
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**KHRC HOME GRANT FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Intergovernmental		
Federal Grants	\$ 122,864.70	\$ 154,008.75
 Total Cash Receipts	122,864.70	154,008.75
 Expenditures and Transfers		
Capital Improvements		
Personal Services	6,176.58	154,708.75
Contractual Services	116,688.12	-
 Total Expenditures and Transfers	122,864.70	154,708.75
 Receipts Over(Under) Expenditures	-	(700.00)
 Unencumbered Cash, Beginning	-	-
 Unencumbered Cash, Ending	\$ -	\$ (700.00)

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**BOND AND INTEREST FUND**

Schedule 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	
<b>Cash Receipts</b>				
Taxes and Shared Revenue				
Ad Valorem Tax	\$ 44,347.27	\$ 10,568.50	\$ 11,829.00	\$ (1,260.50)
Delinquent Tax	804.15	2,869.95	-	2,869.95
Motor Vehicle Tax	-	9,831.40	13,083.00	(3,251.60)
Recreational Vehicle Tax	-	86.08	85.00	1.08
16-20M Truck Tax	-	50.27	85.00	(34.73)
In Lieu of Taxes	190.55	44.37	-	44.37
Operating Transfers from:				
Sewer Utility Fund	155,091.00	157,379.01	155,091.00	2,288.01
Water Utility Fund	55,280.00	105,320.00	105,320.00	-
<b>Total Cash Receipts</b>	<b>255,712.97</b>	<b>286,149.58</b>	<b>\$ 285,493.00</b>	<b>\$ 656.58</b>
<b>Expenditures and Transfers</b>				
Subject to Budget				
Debt Services				
Principal	125,423.54	154,798.30	\$ 154,053.00	\$ 745.30
Interest	142,341.35	163,087.21	163,833.00	(745.79)
Commissions and Postage	6.25	7.50	-	7.50
Neighborhood Revitalization Grant	-	-	357.00	(357.00)
<b>Total Expenditures and Transfers</b> Subject to Budget	<b>267,771.14</b>	<b>317,893.01</b>	<b>\$ 318,243.00</b>	<b>\$ (349.99)</b>
Receipts Over(Under) Expenditures	(12,058.17)	(31,743.43)		
Unencumbered Cash, Beginning	43,801.60	31,743.43		
Unencumbered Cash, Ending	<b>\$ 31,743.43</b>	<b>\$ -</b>		

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**2009 WATER PROJECT-KPWSLF FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Use of Money and Property		
Loan Proceeds	\$ 560,067.27	\$ 178,148.60
	560,067.27	178,148.60
Total Cash Receipts	560,067.27	178,148.60
Expenditures and Transfers		
Capital Improvements		
Contractual Services	71,740.02	-
Capital Outlay	396,939.12	73,207.87
	468,679.14	73,207.87
Total Expenditures and Transfers	468,679.14	73,207.87
Receipts Over(Under) Expenditures	91,388.13	104,940.73
Unencumbered Cash, Beginning	(196,328.86)	(104,940.73)
Unencumbered Cash, Ending	\$ (104,940.73)	\$ -

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**WATER UTILITY FUND**

Schedule 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	
<b>Cash Receipts</b>				
Charges for Services				
Water Receipts	\$ 598,484.37	\$ 618,372.59	\$ 570,124.00	\$ 48,248.59
Penalties	13,930.80	13,947.75	14,000.00	(52.25)
Reconnection Fees	5,030.00	5,530.00	5,500.00	30.00
Other Fees	2,307.93	2,150.74	5,715.00	(3,564.26)
Use of Money and Property				
Loan Proceeds	35,000.00	-	-	-
Other Revenues				
Miscellaneous	120.00	75.09	2,560.00	(2,484.91)
Reimbursed Expenses	986.18	509.22	-	509.22
<b>Total Cash Receipts</b>	<b>655,859.28</b>	<b>640,585.39</b>	<b>\$ 597,899.00</b>	<b>\$ 42,686.39</b>
<b>Expenditures and Transfers</b>				
Subject to Budget				
Distribution				
Personal Services	81,288.88	82,622.17	\$ 84,700.00	\$ (2,077.83)
Contractual Services	23,104.51	27,569.16	23,361.00	4,208.16
Commodities	364,125.90	344,053.35	397,800.00	(53,746.65)
Capital Outlay	397.14	2,500.00	20,000.00	(17,500.00)
Operating Transfers to:				
Bond and Interest Fund	55,280.00	105,320.00	105,320.00	-
General Fund	41,000.00	55,000.00	55,000.00	-
<b>Total Expenditures and Transfers</b>				
Subject to Budget	565,196.43	617,064.68	\$ 686,181.00	\$ (69,116.32)
Receipts Over(Under) Expenditures	90,662.85	23,520.71		
Unencumbered Cash, Beginning	376,590.65	467,253.50		
Unencumbered Cash, Ending	\$ 467,253.50	\$ 490,774.21		

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**SEWER UTILITY FUND**

Schedule 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				
Charges for Services				
Sewer Collections	\$ 240,441.46	\$ 251,119.38	\$ 256,737.00	\$ (5,617.62)
Penalties	5,817.13	5,961.40	6,000.00	(38.60)
Use of Money and Property				
Rental Income	100.00	100.00	-	100.00
Other Revenues				
Miscellaneous	-	250.00	200.00	50.00
Reimbursed Expense	5,077.50	498.50	-	498.50
Operating Transfers from General Fund	118,396.48	96,171.58	132,173.00	(36,001.42)
<b>Total Cash Receipts</b>	<b>369,832.57</b>	<b>354,100.86</b>	<b>\$ 395,110.00</b>	<b>\$ (41,009.14)</b>
Expenditures and Transfers				
Subject to Budget				
Collections				
Personal Services	82,440.71	79,307.40	\$ 100,229.00	\$ (20,921.60)
Contractual Services	13,127.79	14,418.23	16,036.00	(1,617.77)
Commodities	20,197.18	26,984.37	51,006.00	(24,021.63)
Capital Outlay	-	-	20,000.00	(20,000.00)
Operating Transfers to:				
Bond and Interest Fund	155,091.00	157,379.01	155,091.00	2,288.01
Municipal Equipment Reserve Fund	100,000.00	50,000.00	50,000.00	-
Capital Improvements Reserve Fund	200,000.00	100,000.00	100,000.00	-
General Fund	95,000.00	124,998.77	62,171.00	62,827.77
<b>Total Expenditures and Transfers Subject to Budget</b>	<b>665,856.68</b>	<b>553,087.78</b>	<b>\$ 554,533.00</b>	<b>\$ (1,445.22)</b>
Receipts Over(Under) Expenditures	(296,024.11)	(198,986.92)		
Unencumbered Cash, Beginning	953,577.07	657,552.96		
Unencumbered Cash, Ending	<b>\$ 657,552.96</b>	<b>\$ 458,566.04</b>		

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**REFUSE UTILITY FUND**

Schedule 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				
Charges for Services				
Collection Fees	\$ 129,404.51	\$ 128,222.91	\$ 138,000.00	\$ (9,777.09)
Polycart Rentals	2,966.22	1,914.00	1,500.00	414.00
<b>Total Cash Receipts</b>	<u>132,370.73</u>	<u>130,136.91</u>	<u>\$ 139,500.00</u>	<u>\$ (9,363.09)</u>
Expenditures and Transfers				
Subject to Budget				
General Utility Services				
Contractual Services	132,350.73	129,399.76	\$ 139,500.00	\$ (10,100.24)
<b>Total Expenditures and Transfers</b>	<u>132,350.73</u>	<u>129,399.76</u>	<u>\$ 139,500.00</u>	<u>\$ (10,100.24)</u>
Receipts Over(Under) Expenditures	20.00	737.15		
Unencumbered Cash, Beginning	<u>6,865.30</u>	<u>6,885.30</u>		
Unencumbered Cash, Ending	<u>\$ 6,885.30</u>	<u>\$ 7,622.45</u>		

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**CEMETERY FUND**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Other Revenues		
Donations	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures and Transfers		
Perpetual Care		
Capital Outlay	-	-
Total Expenditures and Transfers	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	1,713.79	1,713.79
Unencumbered Cash, Ending	\$ 1,713.79	\$ 1,713.79

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**AGENCY FUNDS**

Schedule of Cash Receipts and Cash Disbursements  
For the Year Ended December 31, 2011

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Firefighter's Auxiliary Fund	\$ 3,336.33	\$ 2,693.88	\$ 2,458.69	\$ 3,571.52
Volunteer Firefighters Fund	97.90	849.56	938.36	9.10
FSA Fund	1,182.07	4,620.00	5,375.23	426.84
	<u>\$ 4,616.30</u>	<u>\$ 8,163.44</u>	<u>\$ 8,772.28</u>	<u>\$ 4,007.46</u>

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**CHERRYVALE PUBLIC LIBRARY**

Schedule of Cash Receipts and Expenditures - Actual  
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		
Taxes and Shared Revenue		
SEK Library Association	\$ 5,156.00	\$ 6,628.00
City of Cherryvale - Appropriations	33,583.41	37,860.53
Use of Money and Property		
Interest Income	19.61	9.02
Other Receipts		
Fines and Fees	2,464.33	336.24
Book Sales	-	799.25
Grants	1,265.00	787.70
Gifts and Donations	565.50	585.00
Miscellaneous	151.72	386.20
<b>Total Cash Receipts</b>	<b>43,205.57</b>	<b>47,391.94</b>
Expenditures and Transfers		
Culture and Recreation		
Personal Services	23,139.66	25,232.65
Contractual Services	9,792.37	10,481.83
Commodities	8,030.91	7,359.39
Capital Outlay	755.32	-
<b>Total Expenditures and Transfers</b>	<b>41,718.26</b>	<b>43,073.87</b>
Receipts Over(Under) Expenditures	1,487.31	4,318.07
Unencumbered Cash, Beginning	(329.70)	1,157.61
Unencumbered Cash, Ending	<b>\$ 1,157.61</b>	<b>\$ 5,475.68</b>

See accompanying independent auditors' report

**CITY OF CHERRYVALE, KANSAS**  
**CHERRYVALE FIREFIGHTERS RELIEF ASSOCIATION**

Statement of Cash Receipts and Expenditures - Actual  
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		
Taxes and Shared Revenue		
Kansas Insurance Commissioner	\$ 4,568.14	\$ 4,371.57
Use of Money and Property		
Interest Income	1,024.48	912.32
Other Revenues		
Reimbursed Expense	12,011.49	-
	17,604.11	5,283.89
Total Cash Receipts		
Expenditures and Transfers		
Culture and Recreation		
Relief to Firefighters	536.00	-
Insurance Premiums	6,875.77	5,193.75
Pensions to Retired FF's	9,813.92	-
Annuities to Volunteers	-	-
Bonds	100.00	100.00
	17,325.69	5,293.75
Total Expenditures and Transfers		
Receipts Over(Under) Expenditures	278.42	(9.86)
Unencumbered Cash, Beginning	115,978.48	116,256.90
Unencumbered Cash, Ending	\$ 116,256.90	\$ 116,247.04

See accompanying independent auditors' report