

**CITY OF IOLA, KANSAS**

**FINANCIAL STATEMENT**

**FOR THE YEAR ENDED DECEMBER 31, 2011**

**City of Iola, Kansas  
City of Second Class  
For the Year Ended December 31, 2011**

**COUNCIL MEMBERS**

Donald Becker	Kendall Callahan	Beverly Franklin
Steven French	Jim Kilby	Ken Rowe
William Shirley Mayor	Scott Stewart	Joel Wicoff

**CITY OFFICIALS**

Debra Troxel City Treasurer	Carl Slaugh City Administrator	Roxanne Hutton City Clerk
Berkley Kerr Parks and Cemetery Superintendent	Don Leapheart Fire/EMS Chief	Jared Warner Chief of Police
Jeff Bauer Code Enforcement	Luke Bycroft Recreation Director	Dan Leslie Street and Alley Superintendent
Mike Phillips Electric Production Superintendent	Dana Nauertc City Stores Purchasing Agent	Toby Ross Water and Wastewater Treatment Superintendent
Mitch Phillips Gas/Water Distribution and Wastewater Collection Superintendent	Kent Tomson Electric Distribution Superintendent	Tom Saxton Municipal Judge

**City of Iola, Kansas**  
**For the Year Ended December 31, 2011**

**TABLE OF CONTENTS**

	<b><u>Page Numbers</u></b>
Independent Auditor's Report .....	1 - 2

**FINANCIAL SECTION**

Statement 1	Summary of Cash Receipts, Expenditures and Unencumbered Cash .....	3 - 4
	Notes to Financial Statements .....	5 - 12

**SUPPLEMENTARY INFORMATION**

Schedule 1	Summary of Expenditures – Actual and Budget .....	13
Schedule 2	Schedule of Cash Receipts and Expenditures - Actual and Budget	
2-1	General Fund .....	14 - 18

**Special Revenue Funds**

2-2	Equipment Reserve Fund .....	19
2-3	Industrial Fund .....	20
2-4	Library Fund .....	21
2-5	Special Alcohol and Drugs Fund.....	22
2-6	Special Highway Fund .....	23
2-7	Special Parks and Recreation Fund .....	24
2-8	Tourism and Convention Fund.....	25

**Capital Projects Funds**

2-9	Comprehensive Street Project Fund.....	26
2-10	Major Non-Street Projects Fund .....	27
2-11	Housing Grant Fund .....	28

**Enterprise Funds**

2-12	Electric Fund .....	29
2-13	Emergency Rescue Fund.....	30
2-14	Gas Fund.....	31
2-15	Solid Waste Fund.....	32
2-16	Wastewater Fund .....	33
2-17	Water Fund.....	34

**City of Iola, Kansas**  
**For the Year Ended December 31, 2011**

**TABLE OF CONTENTS (CONT.)**

**Internal Service Funds**

2-18	Employee Insurance Fund .....	35
2-19	Stores Fund.....	36

**Private Purpose Trust Funds**

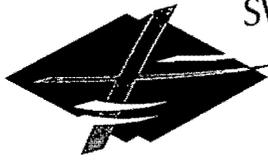
2-20	WM Green Trust Fund .....	37
2-21	Joseph and Mary Wolf Memorial Fund .....	38
2-22	Clean Up Fund .....	39
2-23	Fire Insurance Proceeds Fund.....	40
2-24	Special Law Enforcement Fund .....	41

**Agency Funds**

Schedule 3	Summary of Cash Receipts, Expenditures and Unencumbered Cash .....	42
------------	--	----

**Discretely Presented Component Unit**

Schedule 4	Schedule of Cash Receipts and Expenditures – Actual	
	Library Board.....	43



SWINDOLL  
JANZEN  
HAWK &  
LOYD, LLC

Certified Public Accountants

**McPherson Office**  
123 South Main  
P.O. Box 1337  
McPherson, KS 67460-1337  
620.241.1826 office  
888.241.1826 toll  
620.241.6926 fax

**Hutchinson Office**  
129 West 2nd, Suite A  
P.O. Box 2889  
Hutchinson, KS 67504-2889  
620.662.3358 office  
888.414.0123 toll  
620.662.3350 fax

---

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Iola, Kansas 66749

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of Iola, as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City's management. 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 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 Iola 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, as presumed to be material.

In our opinion, because of the effects of the matter 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 Iola 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, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Iola 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 2011 financial statement as a whole. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, schedule of cash receipts and expenditures-agency funds, schedules of cash receipts and expenditures-actual-component unit (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2011 financial statement. Such information is the responsibility of management and the 2011 supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statement. The 2011 information has been subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statement or to the 2011 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 2011 financial statement as a whole.

*Swindoll, Janzen, Hawk & Loyd, LLC*

Certified Public Accountants

June 29, 2012

## CITY OF IOLA, KANSAS

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**

For the Year Ended December 31, 2011

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Canceled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
<b>GENERAL FUND:</b>							
General Fund	\$ (176,661)	\$ -	\$ 4,924,296	\$ 4,730,053	\$ 17,582	\$ 64,201	\$ 81,783
<b>SPECIAL REVENUE FUNDS:</b>							
Equipment Reserve Fund	(50,822)	-	86,626	31,666	4,138	-	4,138
Industrial Fund	39,171	-	43,818	12,190	70,799	-	70,799
Library Fund	417	-	203,517	203,517	417	-	417
Special Alcohol and Drugs Fund	606	-	-	-	606	-	606
Special Highway Fund	191,744	-	150,115	144,030	197,829	-	197,829
Special Parks and Recreation Fund	9,484	-	507,945	446,201	71,228	7,735	78,963
Convention and Tourism Fund	22,042	-	50,470	62,304	10,208	-	10,208
Total Special Revenue Funds	212,642	-	1,042,491	899,908	355,225	7,735	362,960
<b>CAPITAL PROJECTS FUNDS:</b>							
Comprehensive Street Program Fund	122,875	-	427	123,302	-	-	-
Major Non - Street Projects Fund	312,036	-	1,286,335	892,538	705,833	173,699	879,532
Housing Grant Fund	-	-	126,440	126,439	1	-	1
Total Capital Projects Funds	434,911	-	1,413,202	1,142,279	705,834	173,699	879,533
<b>ENTERPRISE FUNDS:</b>							
Electric Fund	2,796,098	-	10,312,879	10,179,582	2,929,395	67,755	2,997,150
Emergency Rescue Fund	116,215	-	235,519	62,990	288,744	-	288,744
Gas Fund	1,025,536	-	3,405,171	3,877,157	553,550	3,753	557,303
Solid Waste Fund	29,732	-	216,087	138,891	106,928	1,810	108,738
Wastewater Fund	202,941	-	722,537	913,521	11,957	2,207	14,164
Water Fund	(258,782)	-	2,050,938	1,613,465	178,691	12,508	191,199
Total Enterprise Funds	3,911,740	-	16,943,131	16,785,606	4,069,265	88,033	4,157,298
<b>INTERNAL SERVICE FUNDS:</b>							
Employee Insurance Fund	(7,476)	-	663,720	455,992	200,252	-	200,252
Stores Fund	(13,596)	-	408,515	370,441	24,478	1,456	25,934
Total Internal Service Funds	(21,072)	-	1,072,235	826,433	224,730	1,456	226,186

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

## CITY OF IOLA, KANSAS

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**

For the Year Ended December 31, 2011

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Canceled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
PRIVATE-PURPOSE TRUST FUNDS							
Wm. Green Trust Fund	50,210	-	-	3,735	46,475	-	46,475
Joseph and Mary Wolf Memorial Fund	11,771	-	3,219	2,829	12,161	-	12,161
Clean-up Fund	4,038	-	21	-	4,059	-	4,059
Fire Insurance Proceeds Fund	11,138	-	4,055	3,994	11,199	-	11,199
Special Law Enforcement Fund	6,688	-	19	5,585	1,122	-	1,122
Total Private-Purpose Trust Funds	<u>83,845</u>	<u>-</u>	<u>7,314</u>	<u>16,143</u>	<u>75,016</u>	<u>-</u>	<u>75,016</u>
DISCRETELY PRESENTED COMPONENT UNIT:							
Library Board	113,080	-	668,776	571,905	209,951	-	209,951
Total Reporting Entity	<u>\$ 4,735,146</u>	<u>\$ -</u>	<u>\$ 21,147,149</u>	<u>\$ 20,242,274</u>	<u>\$ 5,640,021</u>	<u>\$ 335,124</u>	<u>\$ 5,992,727</u>

## COMPOSITION OF CASH

Petty Cash	\$ 500
Checking	5,775,808
Component Unit	209,951
Total Cash	5,986,259
Less Agency Funds per Schedule 3	6,468
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 5,992,727</u>

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

**CITY OF IOLA, KANSAS**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2011**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***(a) Reporting Entity***

The City of Iola, Kansas (the City) is a municipal corporation governed by an elected eight-member council. Under governmental accounting and financial reporting standards, the City is considered to be a financial reporting entity consisting of a primary government and any other organizations for which the City is (1) financially accountable or (2) not financially accountable but for which the nature and significance of the other organization's relationship to the City are such that exclusion would cause the City's financial statement to be misleading or incomplete. Such organizations are referred to as component units. The other component unit, the Iola Free Public Library, is reported separately to emphasize that it is legally separate from the City.

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

Library Board. The City of Iola operates the City's public library. Acquisition or disposition of real property by the Library Board must be approved by the City. Bond issuances must also be approved by the City. Complete financial records for the Library Board may be reviewed at the administrative offices of the entity at 218 East Madison Ave., Iola, Kansas, 66749.

***(b) Basis of Presentation – Fund Accounting***

The accounts of the City of Iola, Kansas are organized on the basis of funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprises its assets, liabilities, fund balance, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds are grouped into three fund types and eight generic funds as described below:

***Governmental Fund Types***

These are the funds through which most governmental functions typically are financed. The generic funds included in this fund type are as follows:

- General Fund – This fund is established to account for resources devoted to financing the general services the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. This fund is charged with all costs of operating the government for which a separate fund has not been established.
- Special Revenue Funds – These funds are established to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- Debt Service Fund – This fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt.
- Capital Project Funds – These funds account for financial resources to be used for the acquisition of assets or construction of major capital projects which are not financed by Proprietary or Fiduciary fund types.

# 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

## ***(b) Basis of Presentation – Fund Accounting (Cont.)***

### ***Proprietary Fund Types***

These funds account for operations that are self-supporting through user charges. The generic funds included in this fund type are Enterprise Funds and Internal Service Funds.

- Enterprise Funds – These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
- Internal Service Funds – These funds are established to account for the financing of goods or services provided by one department or other departments of the City on a mostly cost-reimbursement basis.

### ***Fiduciary Fund Type***

This fund type accounts for assets held by the City as a trustee or agent for others and therefore cannot be used to support the City's own programs.

- Private Purpose Trust Funds – These funds are used to report all trust arrangements under which principal and income benefit individuals, private organizations, or other governments.
- Agency Funds – These funds are used to account for assets received for, held for, and disbursed to individuals, other states and local Government unit funds or other governmental or private sector organizations.

## ***(c) Basis of Accounting***

The statutory basis of accounting, as used in the preparation of this statutory financial statement, 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, and an expenditure is charged to 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.

## ***(d) 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 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 accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statement. 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. Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

# 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

## ***(e) Budgetary Information***

Kansas statutes require that an annual operating budget be legally adopted for the General Operating Fund, Special Revenue Funds (unless specifically exempted by statute), Debt Service Funds and Enterprise Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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 eleven budget amendments during 2011.

Kansas statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each budgeted fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's disbursements 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 budget expenditure authority lapse at year end.

A legal operating budget is not required for the Capital Projects Funds and the Private Purpose Trust 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.

## ***(f) Special Assessments***

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

## ***(g) Compensated Absences***

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Sick leave is not payable upon resignation or retirement. Payment is vested for vacation payable upon resignation or retirement. An employee can carry over no more than one year's worth of vacation. Compensated absences payable was \$194,286 as of December 31, 2011.

## ***(h) Use of Estimates***

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

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

### ***Compliance with Kansas Statutes***

No statute violations noted in 2011.

## **3. DEPOSITS AND INVESTMENTS**

### ***Deposits and Investments***

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 returns 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 an investment policy that does not further limit its investment choices.

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

*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 City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to K.S.A 9-1402. All deposits were legally secured by December 31, 2011.

At December 31, 2011, the City's carrying amount of deposit was \$5,986,259 and the bank balance was \$6,195,536. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and \$5,695,536 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2011, the carrying amount of the component unit's deposits, including certificates of deposit was \$209,951. The bank balance was \$230,957. Of the bank balance, all was covered by FDIC insurance.

*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.

## 4. LONG-TERM DEBT

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

Issue	Interest Issue	Date of Issue	Amount of Issue	Original Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest and Fees Paid
Kansas Revolving Fund Loans									
2005 KDHE Loan - Water Treatment Facility	4.01%	8/1/2005	10,000,000	8/1/2025	\$ 7,979,206	\$ -	\$ 415,193	\$ 7,564,013	\$ 315,845
2008 KDHE Loan - Wastewater Treatment Lagoon	2.51%	9/1/2008	2,751,000	9/1/2028	2,443,132	-	115,191	2,327,941	60,604
Total Kansas Revolving Fund Loans					10,422,338	-	530,384	9,891,954	376,449
Compensated Absences									
	N/A	N/A	N/A	N/A	198,171	-	3,885	194,286	-
Total Long-Term Debt					\$ 10,620,509	\$ -	\$ 534,269	\$ 10,086,240	\$ 376,449

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

	Year								Total
	2012	2013	2014	2015	2016	2017-2021	2022-2026	2027-2028	
Principal									
Kansas Revolving Fund Loans									
2005 KDHE Loan - Water Treatment Facility	\$ 432,009	\$ 449,506	\$ 467,712	\$ 486,655	\$ 506,366	\$ 2,856,586	\$ 2,365,179	\$ -	\$ 7,564,013
2008 KDHE Loan - Wastewater Treatment Lagoon	117,214	120,175	123,210	126,322	129,512	698,314	791,071	222,123	2,327,941
Total Kansas Revolving Fund Loans	549,223	569,681	590,922	612,977	635,878	3,554,900	3,156,250	222,123	9,891,954
Total Principal	549,223	569,681	590,922	612,977	635,878	3,554,900	3,156,250	222,123	9,891,954
Interest									
Kansas Revolving Fund Loans									
2005 KDHE Loan - Water Treatment Facility	299,029	281,532	263,326	244,383	224,672	798,603	193,452	-	2,304,997
2008 KDHE Loan - Wastewater Treatment Lagoon	58,581	55,621	52,585	49,473	46,283	180,662	87,905	6,483	537,593
Total Kansas Revolving Fund Loans	357,610	337,153	315,911	293,856	270,955	979,265	281,357	6,483	2,842,590
Total Interest	357,610	337,153	315,911	293,856	270,955	979,265	281,357	6,483	2,842,590
Total Principal and Interest	\$ 906,833	\$ 906,834	\$ 906,833	\$ 906,833	\$ 906,833	\$ 4,534,165	\$ 3,437,607	\$ 228,606	\$ 12,734,544

## 5. PENSION COSTS AND EMPLOYEE BENEFITS

### (a) Defined Benefit Pension Plan

**Plan Description.** The City contributes to the Kansas Public Employees Retirement System (KPERs) a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERs (611 S. Kansas Ave., 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% for tier 1 and 6% for tier 2 of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERs is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERs employer rate established for calendar year 2011 is 6.74%. (Included in this rate is the contribution for Group Death and Disability Insurance of 1.0% from April 1, 2011 through June 30, 2011). The City employer contributions to KPERs for the years ending December 31, 2011, 2010 and 2009 were \$319,253, \$269,027 and \$241,169, respectively, equal to the required contributions for each year.

## 5. PENSION COSTS AND EMPLOYEE BENEFITS (Cont.)

### **(b) Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all employees who qualify under the plan terms, and permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

### **(c) Other Employee Benefits**

Vacation - Vacation leave shall be accrued from the employee's date of employment as stipulated hereinafter.

If not taken, vacation leave shall accrue from year to year up to the maximum provided (most can accrue 200 hours). No vacation leave shall be taken until a new employee has completed the evaluation period.

Each regular full-time employee will accrue vacation leave as follows:

<u>Maximum Years of Service</u>	<u>Accrued Vacation Time</u>	<u>Hours accrued per pay period</u>
1 to 9 years	10 days per year	3.08 hours
10 to 19 years	15 days per year	4.62 hours
20 + years	20 days per year	6.15 hours

Sick leave – All full and part-time employees shall be entitled to sick leave with pay for absences resulting from personal illness, injuries, accidents or other physical incapacities, occurring either on or off the job. Full-time employees shall earn 3.08 hours of sick leave for each 80 hour pay period with a maximum of 80 hours accrued per year, 960 hours overall. On termination of employment an employee shall not be paid for accumulated sick leave. Accordingly, no provision for accumulated sick leave has been made in the accompanying financial statements.

### **(d) Other Post Employment Benefits**

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan until they reach 65 years of age. 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 the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to 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 government under this program.

## 6. SELF-INSURANCE PROGRAM

The City is responsible for a potential liability up to \$50,000 per individual per year for health care claims. This plan had fixed costs of \$191,826.

At December 31, 2011 the amount of liabilities was \$34,411. This liability is the City's best estimate based on available information. Changes in the balances of claims liabilities during the past year is as follows:

	<u>2011</u>
Unpaid claims	\$ 68,173
Additions	226,665
Payments	<u>(260,427)</u>
Ending Balance	<u>\$ 34,411</u>

## 7. CAPITAL PROJECTS

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

	<u>Project Authorization</u>	<u>Cash Disbursements and Accounts Payable to Date</u>
Rail Trail	\$ 519,443	\$ 159,713
Scott Street Drainage	35,240	35,240
Energy Facilities Upgrade	229,868	182,568
Douglas Street Bridge	17,000	15,928
Sigg Drainage	102,689	102,689
CDBG for Library Renovations	400,000	272,103
Housing Rehabilitation Grant	400,000	68,177
Total	<u>\$ 1,704,240</u>	<u>\$ 836,418</u>

## 8. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2011, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2010 to 2011 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the City is exposed to various claims, legal actions and complaints. It is of the opinion of the City's management and legal counsel that any current matters are not anticipated to have a material financial impact on the City.

## 9. INTERFUND TRANSFERS

A summary of operating transfers by individual fund is as follows:

From	To	Statutory Authority	Amount
General Fund	Equipment Reserve Fund	KSA 12-1, 117	\$ 86,625
Electric Fund	Special Parks and Recreation Fund	KSA 12-1, 117	230,000
Electric Fund	General Fund	KSA 12-1, 117	1,325,000
Electric Fund	Water Fund	KSA 12-1, 117	53,000
Electric Fund	Stores Fund	KSA 12-1, 117	73,334
Wastewater Fund	General Fund	KSA 12-1, 117	243,750
Wastewater Fund	Stores Fund	KSA 12-1, 117	25,000
Gas Fund	Water Fund	KSA 12-1, 117	497,000
Gas Fund	Stores Fund	KSA 12-1, 117	58,333
Gas Fund	General Fund	KSA 12-1, 117	575,000
Gas Fund	Special Parks and Recreation Fund	KSA 12-1, 117	120,000
Gas Fund	Emergency Rescue Fund	KSA 12-1, 117	50,000
			<u>\$ 3,337,042</u>

## 10. SUBSEQUENT EVENTS

On January 26, 2012, the City issued General Obligation Bonds, Series 2012, in the amount of \$7,550,000. Interest rates range from 1.50% to 2.75%. The Series 2012 bonds mature on January 26, 2025. The bonds were issued to repay the loan obligations to the Kansas Department of Health and Environment that were incurred to fund the Improvements to the City Public Water Supply System.

As of June 29, 2012, the date of this report, no other material subsequent events have been noted.

## CITY OF IOLA, KANSAS

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**

(Budgeted Funds Only)

For the Year Ended December 31, 2011

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
GENERAL FUND:					
General Fund	\$ 4,647,250	\$ 166,522	\$ 4,813,772	\$ 4,730,053	\$ 83,719
SPECIAL REVENUE FUNDS:					
Equipment Reserve Fund	31,667	-	31,667	31,666	1
Industrial Fund	41,800	-	41,800	11,940	29,860
Library Fund	209,215	-	209,215	202,164	7,051
Special Alcohol and Drugs Fund	2,500	-	2,500	-	2,500
Special Highway Fund	144,030	-	144,030	144,030	-
Special Parks and Recreation Fund	450,804	-	450,804	446,201	4,603
Convention and Tourism Fund	62,305	-	62,305	62,304	1
Total Special Revenue Funds	<u>942,321</u>	<u>-</u>	<u>942,321</u>	<u>898,305</u>	<u>44,016</u>
CAPITAL PROJECTS FUND:					
Comprehensive Street Program Fund-Note A	-	-	-	123,302	(123,302)
Major Non - Street Projects Fund-Note A	300,000	-	300,000	892,538	(592,538)
Total Internal Service Funds	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>1,015,840</u>	<u>(715,840)</u>
ENTERPRISE FUNDS:					
Electric Fund	10,158,974	20,851	10,179,825	10,179,582	243
Emergency Rescue Fund	64,500	-	64,500	62,990	1,510
Gas Fund	4,147,885	-	4,147,885	3,877,157	270,728
Solid Waste Fund	159,422	-	159,422	138,891	20,531
Wastewater Fund	1,371,030	-	1,371,030	913,521	457,509
Water Fund	1,622,260	-	1,622,260	1,613,465	8,795
Total Enterprise Funds	<u>17,524,071</u>	<u>20,851</u>	<u>17,544,922</u>	<u>16,785,606</u>	<u>759,316</u>
INTERNAL SERVICE FUNDS:					
Employee Insurance Fund	623,000	-	623,000	455,992	167,008
Stores Fund	382,877	-	382,877	370,441	12,436
Total Internal Service Funds	<u>1,005,877</u>	<u>-</u>	<u>1,005,877</u>	<u>826,433</u>	<u>179,444</u>
Total Primary Government	<u>\$ 24,419,519</u>	<u>\$ 187,373</u>	<u>\$ 24,606,892</u>	<u>\$ 24,379,539</u>	<u>\$ 227,353</u>

Note A-The City chooses to reflect these funds in their annual budget. Since these funds are not required to be budgeted by State statute, these are not considered a budget violation.

CITY OF IOLA, KANSAS

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2011

	2011		Variance Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts:			
Taxes -			
Ad valorem property tax	\$ 989,224	\$ 989,224	\$ -
Back tax collections	16,073	16,073	-
Motor vehicle tax	144,420	144,420	-
Recreational vehicle tax	1,837	1,837	-
16/20M vehicle tax	2,457	2,457	-
In lieu of tax	4,089	4,089	-
Local alcohol tax	14,303	10,900	3,403
City sales tax	599,946	580,000	19,946
County sales tax	265,595	259,121	6,474
Special assessment - weed cutting	8,651	7,700	951
State highway maintenance tax	21,312	21,312	-
Total Taxes	<u>2,067,907</u>	<u>2,037,133</u>	<u>30,774</u>
Licenses and Permits -			
Franchise tax	93,853	92,464	1,389
Licenses and permits	22,478	20,000	2,478
Total Licenses and Permits	<u>116,331</u>	<u>112,464</u>	<u>3,867</u>
Charges for Services -			
Rural fire contracts	67,736	69,784	(2,048)
Cemetery lot sales	5,895	15,500	(9,605)
Cemetery grave openings	11,440	-	11,440
Total Charges for Services	<u>85,071</u>	<u>85,284</u>	<u>(213)</u>
Fines, Forfeitures and Penalties -			
Municipal court fines	165,632	155,000	10,632
Penalty fee receipts	75,948	74,000	1,948
Total Fines, Forfeitures and Penalties	<u>241,580</u>	<u>229,000</u>	<u>12,580</u>

CITY OF IOLA, KANSAS

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2011

	2011		Variance Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts (cont.):			
Use of Money and Property -			
Interest received	\$ 8,494	\$ 8,280	\$ 214
Park rentals	8,770	8,500	270
Total Use of Money and Property	<u>17,264</u>	<u>16,780</u>	<u>484</u>
Miscellaneous -			
Storm water utility	72,341	70,000	2,341
Dog tags	5,315	5,155	160
Police crime donations	4,391	-	4,391
Reimbursed expense for Library salaries	166,522	-	166,522
Miscellaneous	3,824	3,075	749
Total Miscellaneous	<u>252,393</u>	<u>78,230</u>	<u>174,163</u>
Transfers In -			
Emergency Rescue Fund	-	225,000	(225,000)
Gas Fund	575,000	575,000	-
Electric Fund	1,325,000	1,325,000	-
Wastewater Fund	243,750	243,750	-
Total Transfers In	<u>2,143,750</u>	<u>2,368,750</u>	<u>(225,000)</u>
Total Cash Receipts	<u>4,924,296</u>	<u>\$ 4,927,641</u>	<u>\$ (3,345)</u>
Expenditures:			
City Clerk -			
Personal services	269,044	\$ 307,910	\$ 38,866
Contractual services	91,927	79,800	(12,127)
Commodities	36,551	45,000	8,449
Capital outlay	7,936	2,500	(5,436)
Neighborhood revitalization	7,694	689	(7,005)
Miscellaneous	1,277	600	(677)
Total City Clerk	<u>414,429</u>	<u>436,499</u>	<u>22,070</u>

CITY OF IOLA, KANSAS

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2011

	2011		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (cont.):			
Police Department -			
Personal services	\$ 880,113	\$ 913,244	\$ 33,131
Contractual services	78,424	90,500	12,076
Commodities	42,767	53,400	10,633
Capital outlay	58,332	61,300	2,968
Miscellaneous	312	500	188
	<u>1,059,948</u>	<u>1,118,944</u>	<u>58,996</u>
Street Department -			
Personal services	403,774	405,777	2,003
Contractual services	25,508	24,750	(758)
Commodities	353,503	371,800	18,297
Capital outlay	51,670	9,333	(42,337)
Transfer to Equipment Reserve Fund	86,625	86,625	-
	<u>921,080</u>	<u>898,285</u>	<u>(22,795)</u>
Park Department -			
Personal services	295,803	327,526	31,723
Contractual services	12,136	17,275	5,139
Commodities	38,381	47,500	9,119
Capital outlay	16,800	17,000	200
	<u>363,120</u>	<u>409,301</u>	<u>46,181</u>
Fire -			
Personal services	981,002	1,002,571	21,569
Contractual services	24,812	27,350	2,538
Commodities	34,075	29,400	(4,675)
Capital outlay	-	500	500
Miscellaneous	326	-	(326)
	<u>1,040,215</u>	<u>1,059,821</u>	<u>19,606</u>

CITY OF IOLA, KANSAS

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2011

	2011		Variance Favorable (Unfavorable)
	Actual	Budget	
Expenditures (cont.):			
City Administrator -			
Personal services	\$ 292,806	\$ -	\$ (292,806)
Contractual services	15,062	-	(15,062)
Commodities	12,225	-	(12,225)
Capital outlay	1,500	-	(1,500)
Miscellaneous	1,495	-	(1,495)
Total City Administrator	<u>323,088</u>	<u>-</u>	<u>(323,088)</u>
Code Enforcement -			
Personal services	116,544	-	(116,544)
Contractual services	22,705	-	(22,705)
Commodities	35,441	-	(35,441)
Capital outlay	9,239	-	(9,239)
Miscellaneous	149	-	(149)
Total Code Enforcement	<u>184,078</u>	<u>-</u>	<u>(184,078)</u>
City Commission -			
Contractual services	120,456	-	(120,456)
Commodities	1,953	-	(1,953)
Total City Commission	<u>122,409</u>	<u>-</u>	<u>(122,409)</u>
Municipal Court -			
Personal services	106,570	-	(106,570)
Contractual services	13,694	-	(13,694)
Commodities	9,877	-	(9,877)
Miscellaneous	650	-	(650)
Total Municipal Court	<u>130,791</u>	<u>-</u>	<u>(130,791)</u>

CITY OF IOLA, KANSAS

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2011

	2011		Variance Favorable (Unfavorable)
	Actual	Budget	
Expenditures (cont.):			
911 Dispatch -			
Contractual services	\$ 370	\$ -	\$ (370)
Commodities	30	-	(30)
Miscellaneous	-	-	-
Total 911 Dispatch	<u>400</u>	<u>-</u>	<u>(400)</u>
Police Crime Donation -			
Commodities	114	-	(114)
Miscellaneous	<u>2,959</u>	<u>-</u>	<u>(2,959)</u>
Total Police Crime Donation	<u>3,073</u>	<u>-</u>	<u>(3,073)</u>
Library -			
Personal services	<u>167,422</u>	<u>-</u>	<u>(167,422)</u>
Total Expenditures before adjustments	<u>4,730,053</u>	<u>4,647,250</u>	<u>(82,803)</u>
Adjustment for reimbursed expenditures	<u>-</u>	<u>166,522</u>	<u>166,522</u>
Total Expenditures	<u>4,730,053</u>	<u>\$ 4,813,772</u>	<u>\$ 83,719</u>
Receipts over (under) Expenditures	194,243		
Unencumbered Cash, Beginning of Year	<u>(176,661)</u>		
Unencumbered Cash, End of Year	<u>\$ 17,582</u>		

CITY OF IOLA, KANSAS

SPECIAL REVENUE FUND

EQUIPMENT RESERVE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2011

	2011		Variance Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts:			
Interest income	\$ 1	\$ -	\$ (1)
Transfer from General Fund	86,625	86,625	-
Total Cash Receipts	<u>86,626</u>	<u>\$ 86,625</u>	<u>\$ (1)</u>
Expenditures:			
Commodities	<u>31,666</u>	<u>\$ 31,667</u>	<u>\$ 1</u>
Receipts over (under) Expenditures	54,960		
Unencumbered Cash, Beginning of Year	<u>(50,822)</u>		
Unencumbered Cash, End of Year	<u>\$ 4,138</u>		

## CITY OF IOLA, KANSAS

SPECIAL REVENUE FUNDINDUSTRIAL FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2011**

	<u>2011</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Ad valorem property tax	\$ 32,223	\$ 32,912	\$ 689
Back tax collections	502	150	(352)
Motor vehicle tax	4,673	5,099	426
Recreational vehicle tax	59	63	4
16/20M vehicle tax	79	74	(5)
Interest income	321	-	(321)
Rentals - industrial buildings	5,222	5,000	(222)
Miscellaneous revenue	<u>739</u>	<u>-</u>	<u>(739)</u>
 Total Cash Receipts	 <u>43,818</u>	 <u>\$ 43,298</u>	 <u>\$ (520)</u>
Expenditures:			
Contractual services	1,143	\$ 10,800	\$ 9,657
Commodities	10,167	30,000	19,833
Neighborhood revitalization	250	-	(250)
Miscellaneous	<u>630</u>	<u>1,000</u>	<u>370</u>
 Total Expenditures	 <u>12,190</u>	 <u>\$ 41,800</u>	 <u>\$ 29,610</u>
 Receipts over (under) Expenditures	 31,628		
 Unencumbered Cash, Beginning of Year	 <u>39,171</u>		
 Unencumbered Cash, End of Year	 <u>\$ 70,799</u>		

## CITY OF IOLA, KANSAS

SPECIAL REVENUE FUNDLIBRARY FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2011

	2011		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Ad valorem property tax	\$ 174,620	\$ 178,377	\$ 3,757
Back tax collections	2,835	-	(2,835)
Motor vehicle tax	25,341	28,364	3,023
Recreational vehicle tax	323	352	29
16/20M vehicle tax	398	412	14
Total Cash Receipts	<u>203,517</u>	<u>\$ 207,505</u>	<u>\$ 3,988</u>
Expenditures:			
Appropriations to Iola Public Library	202,164	\$ 209,215	\$ 7,051
Neighborhood revitalization	<u>1,353</u>	<u>-</u>	<u>(1,353)</u>
Total Expenditures	<u>203,517</u>	<u>\$ 209,215</u>	<u>\$ 5,698</u>
Receipts over (under) Expenditures	-		
Unencumbered Cash, Beginning of Year	<u>417</u>		
Unencumbered Cash, End of Year	<u>\$ 417</u>		

## CITY OF IOLA, KANSAS

SPECIAL REVENUE FUNDSPECIAL ALCOHOL AND DRUGS FUND

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>
	<u>Actual</u>	<u>Budget</u>	
Cash Receipts:			
Miscellaneous	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ 800</u>
Expenditures:			
Commodities	-	<u>\$ 2,250</u>	<u>\$ 2,250</u>
Miscellaneous	-	<u>250</u>	<u>250</u>
Total Expenditures	<u>-</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
Receipts over (under) Expenditures	-		
Unencumbered Cash, Beginning of Year	<u>606</u>		
Unencumbered Cash, End of Year	<u>\$ 606</u>		

CITY OF IOLA, KANSAS

SPECIAL REVENUE FUND

SPECIAL HIGHWAY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2011

	2011		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Gasoline tax	\$ 149,047	\$ 149,050	\$ 3
Interest income	1,068	1,001	(67)
Total Cash Receipts	<u>150,115</u>	<u>\$ 150,051</u>	<u>\$ (64)</u>
Expenditures:			
Commodities	<u>144,030</u>	<u>\$ 144,030</u>	<u>\$ -</u>
Receipts over (under) Expenditures	6,085		
Unencumbered Cash, Beginning of Year	<u>191,744</u>		
Unencumbered Cash, End of Year	<u>\$ 197,829</u>		

## CITY OF IOLA, KANSAS

SPECIAL REVENUE FUNDSPECIAL PARKS AND RECREATION FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2011**

	<u>2011</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Local alcohol tax	\$ 9,414	\$ 11,412	\$ 1,998
Safebase grant subsidy	10,308	-	(10,308)
Recreation program fees	134,292	144,850	10,558
Miscellaneous	2,762	50	(2,712)
Transfer from Gas Fund	120,000	120,000	-
Transfer from Electric Fund	230,000	230,000	-
	<u>507,944</u>	<u>\$ 506,312</u>	<u>\$ (1,632)</u>
Total Cash Receipts			
Expenditures:			
Personal services	266,021	\$ 284,104	\$ 18,083
Contractual services	33,676	30,900	(2,776)
Commodities	143,552	133,800	(9,752)
Capital outlay	2,937	2,000	(937)
Miscellaneous	15	-	(15)
	<u>446,201</u>	<u>\$ 450,804</u>	<u>\$ 4,603</u>
Total Expenditures			
Receipts over (under) Expenditures	61,743		
Unencumbered Cash, Beginning of Year	<u>9,484</u>		
Unencumbered Cash, End of Year	<u>\$ 71,227</u>		

CITY OF IOLA, KANSAS

SPECIAL REVENUE FUND

CONVENTION AND TOURISM FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2011

	<u>2011</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Guest tax	\$ 50,346	\$ 50,806	\$ 460
Interest income	124	-	(124)
	<u>50,470</u>	<u>\$ 50,806</u>	<u>\$ 336</u>
Total Cash Receipts			
Expenditures:			
Tourism projects	62,304	<u>\$ 62,305</u>	<u>\$ 1</u>
Receipts over (under) Expenditures	(11,834)		
Unencumbered Cash, Beginning of Year	<u>22,042</u>		
Unencumbered Cash, End of Year	<u>\$ 10,208</u>		

CITY OF IOLA, KANSAS

CAPITAL PROJECTS FUND

COMPREHENSIVE STREET PROJECT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2011

	<u>2011</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
City sales tax	\$ -	\$ -	\$ -
Interest income	427	-	(427)
	<u>427</u>	<u>\$ -</u>	<u>\$ (427)</u>
Total Cash Receipts			
Expenditures:			
Cottonwood Street Project - Contractual services	123,302	\$ -	\$ (123,302)
Receipts over (under) Expenditures	(122,875)		
Unencumbered Cash, Beginning of Year	<u>122,875</u>		
Unencumbered Cash, End of Year	<u>\$ -</u>		

**CITY OF IOLA, KANSAS**

**CAPITAL PROJECTS FUND**

**MAJOR NON-STREET PROJECTS FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2011**

	<u>2011</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
City sales tax	\$ 599,946	\$ 575,000	\$ (24,946)
FEMA payments	387,313	-	(387,313)
Library CDBG receipts	-	-	-
Kansas Housing Resource funds	135,658	-	(135,658)
Federal Funds reimbursement	98,587	-	(98,587)
Miscellaneous	64,831	-	(64,831)
Transfer from General Fund	-	-	-
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	1,286,335	\$ -	\$ -
	<hr/>	<hr/>	<hr/>
Expenditures:			
Special projects	65,761	\$ 100,000	\$ 34,239
Rail Trail Project	45,638	50,000	4,362
Douglas Street Bridge Repairs	15,928	-	(15,928)
2008 NFIP Project	32,441	-	(32,441)
Library renovations	150,000	150,000	-
Cedarbrook Development II and III	72,348	-	(72,348)
Riverside Park Drainage Project	7,758	-	(7,758)
Scott Street Drainage Project	49,995	-	(49,995)
Highway 54 E Drainage Project	97,522	-	(97,522)
City Facility Energy Upgrade	182,567	-	(182,567)
	<hr/>	<hr/>	<hr/>
Total Expenditures	719,958	\$ 300,000	\$ (419,958)
	<hr/>	<hr/>	<hr/>
Receipts over (under) Expenditures	566,377		
Unencumbered Cash, Beginning of Year	<hr/>		
	312,036		
Unencumbered Cash, End of Year	<hr/>		
	\$ 878,413		

**CITY OF IOLA, KANSAS**

**CAPITAL PROJECTS FUND**

**HOUSING GRANT FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
For the Year Ended December 31, 2011**

	<u>2011</u>
Cash Receipts:	
Reimbursed expense	\$ 126,440
Expenditures:	
Contractual services	<u>126,439</u>
Receipts over (under) Expenditures	1
Unencumbered Cash, Beginning of Year	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ 1</u>

## CITY OF IOLA, KANSAS

ENTERPRISE FUNDELECTRIC FUND**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

For the Year Ended December 31, 2011

	<u>2011</u>		<b>Variance Favorable (Unfavorable)</b>
	<u>Actual</u>	<u>Budget</u>	
<b>Cash Receipts:</b>			
Electric sales	\$ 9,957,261	\$ 10,150,000	\$ 192,739
State of Kansas Energy Trax Program	78,435	-	(78,435)
Rentals crops and poles	11,167	11,500	333
Initial connection charges	6,450	6,314	(136)
Meter installations	1,500	1,500	-
Interest income	16,189	16,000	(189)
Reimbursed expense	20,851	-	(20,851)
Miscellaneous	221,026	281,539	60,513
<b>Total Cash Receipts</b>	<b><u>10,312,879</u></b>	<b><u>\$ 10,466,853</u></b>	<b><u>\$ 153,974</u></b>
<b>Expenditures:</b>			
<b>Distribution -</b>			
Personal services	432,807	\$ 741,040	\$ 308,233
Contractual services	2,811	7,000,000	6,997,189
Commodities	138,976	389,500	250,524
Capital outlay	258,330	371,800	113,470
Miscellaneous	88,582	28,300	(60,282)
Transfer to General Fund	1,325,000	1,325,000	-
Transfer to Water Fund	53,000	-	(53,000)
Transfer to Stores Fund	73,334	73,334	-
Transfer to Special Parks and Recreation Fund	230,000	230,000	-
<b>Production -</b>			
Personal services	315,782	-	(315,782)
Contractual services	6,920,948	-	(6,920,948)
Commodities	201,525	-	(201,525)
Capital outlay	138,051	-	(138,051)
Miscellaneous	436	-	(436)
<b>Total Expenditures before adjustments</b>	<b><u>10,179,582</u></b>	<b><u>10,158,974</u></b>	<b><u>(20,608)</u></b>
Adjustment for reimbursed expenditures - Federal Funds	-	20,851	20,851
<b>Total Expenditures</b>	<b><u>10,179,582</u></b>	<b><u>\$ 10,179,825</u></b>	<b><u>\$ 243</u></b>
Receipts over (under) Expenditures	133,297		
Unencumbered Cash, Beginning of Year	<u>2,796,098</u>		
Unencumbered Cash, End of Year	<u>\$ 2,929,395</u>		

## CITY OF IOLA, KANSAS

ENTERPRISE FUNDEMERGENCY RESCUE FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2011**

	<u>2011</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Sales service charges	\$ 105,024	\$ 100,000	\$ (5,024)
County subsidies	80,000	80,000	-
Miscellaneous	495	-	(495)
Transfer from Gas Fund	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Cash Receipts	<u>235,519</u>	<u>\$ 230,000</u>	<u>\$ (5,519)</u>
Expenditures:			
Contractual services	39,862	\$ 42,000	\$ 2,138
Commodities	19,770	22,500	2,730
Miscellaneous	<u>3,358</u>	<u>-</u>	<u>(3,358)</u>
Total Expenditures	<u>62,990</u>	<u>\$ 64,500</u>	<u>\$ 1,510</u>
Receipts over (under) Expenditures	172,529		
Unencumbered Cash, Beginning of Year	<u>116,215</u>		
Unencumbered Cash, End of Year	<u>\$ 288,744</u>		

## CITY OF IOLA, KANSAS

ENTERPRISE FUNDGAS FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2011**

	<u>2011</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Gas sales	\$ 3,393,605	\$ 5,000,000	\$ 1,606,395
Initial connection charges	4,750	6,000	1,250
Interest income	-	10,000	10,000
Miscellaneous	6,816	1,000	(5,816)
	<u>3,405,171</u>	<u>\$ 5,017,000</u>	<u>\$ 1,611,829</u>
Expenditures:			
Personal services	229,076	\$ 250,000	\$ 20,924
Contractual services	2,260,144	3,000,000	739,856
Commodities	53,798	52,050	(1,748)
Capital outlay	31,878	40,500	8,622
Miscellaneous	1,928	2,000	72
Transfer to General Fund	575,000	575,000	-
Transfer to Insurance Fund	-	2	2
Transfer to Water Fund	497,000	-	(497,000)
Transfer to Stores Fund	58,333	58,333	-
Transfer to Special Parks and Recreation Fund	120,000	120,000	-
Transfer to Emergency Rescue Fund	50,000	50,000	-
	<u>3,877,157</u>	<u>\$ 4,147,885</u>	<u>\$ 270,728</u>
Receipts over (under) Expenditures	(471,986)		
Unencumbered Cash, Beginning of Year	<u>1,025,536</u>		
Unencumbered Cash, End of Year	<u>\$ 553,550</u>		

CITY OF IOLA, KANSAS

ENTERPRISE FUND

SOLID WASTE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
For the Year Ended December 31, 2011

	2011		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Collection fees	\$ 215,313	\$ 223,000	\$ 7,687
Interest income	350	2,000	1,650
Miscellaneous	424	-	(424)
Total Cash Receipts	<u>216,087</u>	<u>\$ 225,000</u>	<u>\$ 8,913</u>
Expenditures:			
Personal services	113,161	\$ 130,922	\$ 17,761
Contractual services	3,704	5,300	1,596
Commodities	21,171	22,700	1,529
Miscellaneous	855	500	(355)
Total Expenditures	<u>138,891</u>	<u>\$ 159,422</u>	<u>\$ 20,531</u>
Receipts over (under) Expenditures	77,196		
Unencumbered Cash, Beginning of Year	<u>29,732</u>		
Unencumbered Cash, End of Year	<u>\$ 106,928</u>		

## CITY OF IOLA, KANSAS

ENTERPRISE FUNDWASTEWATER FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2011**

	<u>2011</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
CDBG project receipts	\$ -	\$ 1,237,742	\$ 1,237,742
Wastewater charges	713,283	700,000	(13,283)
Interest income	524	9,000	8,476
Miscellaneous	1,040	1,000	(40)
	<u>722,537</u>	<u>\$ 1,947,742</u>	<u>\$ 1,225,205</u>
Expenditures:			
Collection -			
Personal services	91,609	\$ 177,303	\$ 85,694
Contractual services	14,538	235,960	221,422
Commodities	14,389	32,850	18,461
Capital outlay	95,725	565,834	470,109
Miscellaneous	1,048	750	(298)
Treatment -			
Personal services	79,258	-	(79,258)
Contractual services	205,752	-	(205,752)
Commodities	5,512	-	(5,512)
Capital outlay	136,940	-	(136,940)
Transfer to General Fund	243,750	325,000	81,250
Transfer to Stores Fund	25,000	33,333	8,333
	<u>913,521</u>	<u>\$ 1,371,030</u>	<u>\$ 457,509</u>
Receipts over (under) Expenditures	(190,984)		
Unencumbered Cash, Beginning of Year	<u>202,941</u>		
Unencumbered Cash, End of Year	<u>\$ 11,957</u>		

## CITY OF IOLA, KANSAS

ENTERPRISE FUNDWATER FUND

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

	2011		Variance Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts:			
Charges for services	\$ 1,454,762	\$ 1,401,005	\$ (53,757)
Delinquent fees	23,800	23,000	(800)
Miscellaneous	22,376	21,000	(1,376)
Transfer from Electric Fund	275,000	275,000	-
Transfer from Gas Fund	275,000	275,000	-
Total Cash Receipts	<u>2,050,938</u>	<u>\$ 1,995,005</u>	<u>\$ (55,933)</u>
Expenditures:			
Distribution -			
Personal services	257,617	\$ 386,160	\$ 128,543
Contractual services	16,868	908,500	891,632
Commodities	47,030	305,500	258,470
Capital outlay	-	7,000	7,000
Miscellaneous	3,453	15,100	11,647
Production -			
Personal services	175,091	-	(175,091)
Contractual services	860,542	-	(860,542)
Commodities	241,214	-	(241,214)
Capital outlay	1,450	-	(1,450)
Miscellaneous	10,200	-	(10,200)
Total Expenditures	<u>1,613,465</u>	<u>\$ 1,622,260</u>	<u>\$ 8,795</u>
Receipts over (under) Expenditures	437,473		
Unencumbered Cash, Beginning of Year	<u>(258,782)</u>		
Unencumbered Cash, End of Year	<u>\$ 178,691</u>		

## CITY OF IOLA, KANSAS

INTERNAL SERVICE FUNDEMPLOYEE INSURANCE FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2011**

	<u>2011</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Employee/employer contribution	\$ 637,235	\$ 600,000	\$ (37,235)
Other member contributions	26,071	30,000	3,929
Interest income	414	500	86
	<u>663,720</u>	<u>\$ 630,500</u>	<u>\$ (33,220)</u>
Total Cash Receipts			
Expenditures:			
Contractual services	191,826	\$ 153,000	\$ (38,826)
Miscellaneous	264,166	470,000	205,834
	<u>455,992</u>	<u>\$ 623,000</u>	<u>\$ 167,008</u>
Total Expenditures			
Receipts over (under) Expenditures	207,728		
Unencumbered Cash, Beginning of Year	<u>(7,476)</u>		
Unencumbered Cash, End of Year	<u>\$ 200,252</u>		

CITY OF IOLA, KANSAS

INTERNAL SERVICE FUND

STORES FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**  
**For the Year Ended December 31, 2011**

	<u>2011</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Receipts from city departments	\$ 251,848	\$ 250,000	\$ (1,848)
Transfer from Gas Fund	58,333	58,333	-
Transfer from Electric Fund	73,334	73,334	-
Transfer from Wastewater Fund	<u>25,000</u>	<u>33,333</u>	<u>8,333</u>
Total Cash Receipts	<u>408,515</u>	<u>\$ 415,000</u>	<u>\$ 6,485</u>
Expenditures:			
Personal services	87,749	\$ 85,962	\$ (1,787)
Contractual services	13,982	13,500	(482)
Commodities	268,406	283,100	14,694
Miscellaneous	<u>303</u>	<u>315</u>	<u>12</u>
Total Expenditures	<u>370,440</u>	<u>\$ 382,877</u>	<u>\$ 12,437</u>
Receipts over (under) Expenditures	38,075		
Unencumbered Cash, Beginning of Year	<u>(13,596)</u>		
Unencumbered Cash, End of Year	<u>\$ 24,479</u>		

CITY OF IOLA, KANSAS

PRIVATE PURPOSE TRUST FUND

WM. GREEN TRUST FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
For the Year Ended December 31, 2011

	<u>2011</u>
Cash Receipts:	
Miscellaneous	\$ -
Expenditures:	
Miscellaneous	<u>3,735</u>
Receipts over (under) Expenditures	(3,735)
Unencumbered Cash, Beginning of Year	<u>50,210</u>
Unencumbered Cash, End of Year	<u>\$ 46,475</u>

## CITY OF IOLA, KANSAS

PRIVATE PURPOSE TRUST FUNDJOSEPH AND MARY WOLF MEMORIAL FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
For the Year Ended December 31, 2011

	<u>2011</u>
Cash Receipts:	
Interest income	\$ 3,219
Expenditures:	
Miscellaneous	<u>2,829</u>
Receipts over (under) Expenditures	390
Unencumbered Cash, Beginning of Year	<u>11,771</u>
Unencumbered Cash, End of Year	<u>\$ 12,161</u>

**CITY OF IOLA, KANSAS**  
**PRIVATE PURPOSE TRUST FUND**  
**CLEAN UP FUND**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**For the Year Ended December 31, 2011**

	<b>2011</b>
Cash Receipts:	
Interest income	\$ 21
Expenditures:	
Miscellaneous	-
Receipts over (under) Expenditures	21
Unencumbered Cash, Beginning of Year	4,038
Unencumbered Cash, End of Year	\$ 4,059

CITY OF IOLA, KANSAS

PRIVATE PURPOSE TRUST FUND

FIRE INSURANCE PROCEEDS FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
For the Year Ended December 31, 2011

	<u>2011</u>
Cash Receipts:	
Insurance proceeds	\$ 3,990
Interest income	<u>65</u>
Total Cash Receipts	<u>4,055</u>
Expenditures:	
Miscellaneous	<u>3,994</u>
Receipts over (under) Expenditures	61
Unencumbered Cash, Beginning of Year	<u>11,138</u>
Unencumbered Cash, End of Year	<u>\$ 11,199</u>

CITY OF IOLA, KANSAS

PRIVATE PURPOSE TRUST FUND

SPECIAL LAW ENFORCEMENT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
For the Year Ended December 31, 2011

	<u>2011</u>
Cash Receipts:	
Miscellaneous	\$      19
Expenditures:	
Commodities	<u>5,585</u>
Receipts over (under) Expenditures	(5,566)
Unencumbered Cash, Beginning of Year	<u>6,688</u>
Unencumbered Cash, End of Year	<u>\$    1,122</u>

CITY OF IOLA, KANSAS

AGENCY FUNDS

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

For the Year Ended December 31, 2011

<u>Funds</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Kansas Sales Tax Fund	\$ (7,048)	\$ 357,371	\$ 356,791	\$ (6,468)

## CITY OF IOLA, KANSAS

## DISCRETELY PRESENTED COMPONENT UNIT

## LIBRARY BOARD

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
For the Year Ended December 31, 2011

	General	Special	State Aid	Allocation	Iola Reads	Family Reading Festival	Capital Improve- ment	Federal Funds	Certificate of Deposits	Totals 2011
Cash Receipts:										
Interest received	\$ 7,181	\$ 433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 859	\$ 8,473
Fines and fees	9,036	-	-	-	-	-	-	-	-	9,036
Gifts and grants	90	3,891	-	-	1,700	3,100	-	-	-	8,781
Rent	11,021	-	-	-	-	-	-	-	-	11,021
Taxes	202,165	-	-	-	-	-	-	-	-	202,165
State of Kansas	-	-	2,810	-	-	-	-	-	-	2,810
South East Kansas Library System	-	-	-	10,798	-	-	-	-	-	10,798
Reimbursements from Federal funds	-	-	-	-	-	-	-	209,665	-	209,665
Matching grant funds from City	-	-	-	-	-	-	-	180,000	-	180,000
Miscellaneous	30	3,759	-	-	-	-	-	11,906	-	15,695
Transfers in -										
General	-	-	-	-	-	-	1,000	-	-	1,000
Special	-	-	-	-	-	-	3,331	-	6,000	9,331
<b>Total Cash Receipts</b>	<b>229,523</b>	<b>8,083</b>	<b>2,810</b>	<b>10,798</b>	<b>1,700</b>	<b>3,100</b>	<b>4,331</b>	<b>401,571</b>	<b>6,859</b>	<b>668,775</b>
Expenditures										
Personal services	175,680	-	-	-	-	-	-	-	-	175,680
Contractual services	39,713	5,734	-	-	-	-	-	-	-	45,447
Commodities	10,704	5,754	2,810	9,506	1,899	-	-	-	-	30,673
Capital outlay	4,638	-	-	-	-	-	-	-	-	4,638
Reimbursements	-	-	-	-	-	-	-	-	-	-
Miscellaneous and refunds	474	655	-	1,414	408	-	-	-	40	2,991
Grant disbursements/gift expense	-	-	-	-	-	-	-	302,144	-	302,144
Transfers out -										
Capital Improvement	1,000	3,331	-	-	-	-	-	-	-	4,331
Certificates of Deposit	-	6,000	-	-	-	-	-	-	-	6,000
<b>Total Expenditures</b>	<b>232,209</b>	<b>21,474</b>	<b>2,810</b>	<b>10,920</b>	<b>2,307</b>	<b>-</b>	<b>-</b>	<b>302,144</b>	<b>40</b>	<b>571,904</b>
Receipts over (under) Expenditures	(2,686)	(13,391)	-	(122)	(607)	3,100	4,331	99,427	6,819	96,871
Unencumbered Cash, Beginning of Year	18,139	18,394	-	122	1,577	-	-	13,650	61,198	113,080
Unencumbered Cash, End of Year	\$ 15,453	\$ 5,003	\$ -	\$ -	\$ 970	\$ 3,100	\$ 4,331	\$ 113,077	\$ 68,017	\$ 209,951