

CITY OF TORONTO, KANSAS

Financial Statement and
Independent Auditors' Report with
Supplemental Information

For the Year Ended December 31, 2011

CITY OF TORONTO, KANSAS

December 31, 2011

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Auditors' Report	1-2
<u>Statement 1</u>	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	3
Notes to the Financial Statement	4-11
SUPPLEMENTAL INFORMATION	
<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget (Budgeted Funds Only)	12
<u>Schedule 2</u>	
Schedule of Cash Receipts and Expenditures – Actual and Budget (With Comparative Actual Totals for the Prior Year):	
General Fund	13-14
Library Fund	15
Special Highway Fund	16
Special Liability Fund	17
Equipment Reserve Fund	18
911 Emergency System Fund	19
Environmental Remediation Grant Fund.....	20
G.O. Bond and Interest Fund	21
Electric Utility Fund	22
Electric Utility Fund – Security Deposits	23
Water Utility Fund	24
Sewer Utility Fund	25
Water and Sewer Utility Surplus Fund	26
<u>Schedule 3</u>	
Schedule of Cash Receipts and Cash Disbursements- Agency Funds.....	27

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Toronto, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of Toronto, Kansas, as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City of Toronto, Kansas' management. Our responsibility is to express an opinion on this 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 May 25, 2011, we expressed a qualified opinion due to the omission of the component units, on the financial statement of the City of Toronto, 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.

The financial statement does not include financial data for the City's legally separate component units. Accounting principles generally accepted in the United State of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. The effect of this departure has not been determined.

As described more fully in Note 2, the City 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.

In our opinion, because of the omission of the component units 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 Toronto, 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 component units, the financial statement referred to above present fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Toronto, 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 2.

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, schedule of cash receipts and expenditures-agency funds (Schedules 1, 2 and 3 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

JARRED, GILMORE & PHILLIPS, PA.
Certified Public Accountants

March 7, 2012
Chanute, Kansas

CITY OF TORONTO, KANSAS

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

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Encumbrances and Accounts Payable	Ending Cash Balance	
						2011	2010
Governmental Type Funds							
General	\$ 69,028.19	\$ 110,658.16	\$ 110,061.03	\$ 69,625.32	\$ 4,957.58	\$ 74,582.90	\$ 72,074.09
Special Revenue Funds							
Library	-	2,881.10	2,881.10	-	-	-	-
Special Highway	8,125.15	7,085.56	3,705.79	11,504.92	-	11,504.92	8,125.15
Special Liability	8,967.98	2,860.64	1,580.82	10,247.80	-	10,247.80	8,967.98
Equipment Reserve	6,686.16	70.02	-	6,756.18	-	6,756.18	6,686.16
911 Emergency System	2,593.95	2,871.07	2,395.94	3,069.08	-	3,069.08	2,593.95
Debt Service Fund							
G.O. Bond and Interest	36,961.71	54,629.14	54,672.50	36,918.35	-	36,918.35	36,961.71
Proprietary Type Funds							
Enterprise Funds							
Electric Utility	109,939.54	281,263.48	240,961.07	150,241.95	12,862.90	163,104.85	126,370.45
Electric Utility-Security Deposits	-	4,720.00	4,720.00	-	7,640.00	7,640.00	7,120.00
Water Utility	21,474.69	94,556.32	96,747.63	19,283.38	4,007.67	23,291.05	24,998.95
Sewer Utility	48,903.23	40,644.36	38,161.44	51,386.15	570.45	51,956.60	49,976.05
Water and Sewer Utility Surplus	23,644.00	-	-	23,644.00	-	23,644.00	23,644.00
Total Primary Government(Excluding Agency Funds)	\$ 336,324.60	\$ 602,239.85	\$ 555,887.32	\$ 382,677.13	\$ 30,038.60	\$ 412,715.73	\$ 367,518.49
Composition of Cash:							
Cash on Hand.....						\$ 100.00	\$ 100.00
Checking Account, Emprise Bank, Toronto						283,552.73	238,355.49
Certificates of Deposit, Emprise Bank, Toronto						129,063.00	129,063.00
Total Cash						412,715.73	367,518.49
Less: Agency Funds per Schedule 3						-	-
Total Reporting Entity(Excluding Agency Funds)						\$ 412,715.73	\$ 367,518.49

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

CITY OF TORONTO, KANSAS

Notes to the Financial Statement
December 31, 2011

1. NATURE OF ORGANIZATION

Reporting Entity

The City of Toronto, Kansas (the City) is a municipal corporation governed by an elected six member council. This financial statement presents the City of Toronto, Kansas (the primary government).

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 the 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:

The Toronto Public Library and the Housing Authority of the City of Toronto, Kansas, operates the City's library and housing projects, respectively. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. The Toronto Public Library and the 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Toronto, Kansas, has 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 2 describes how the City's accounting policies differ from accounting principles generally accepted in the United States of America.

Basis of Presentation – Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. 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 regulation, restrictions, or limitations. The various funds are grouped by type in the financial statement. The following types of funds comprise the financial activities of the City of Toronto, Kansas, for the year 2011:

GOVERNMENTAL FUNDS

General Fund – to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds – to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Accounting (Continued)

Capital Projects Funds – to account for capital improvements (except for those financed by proprietary funds) which are financed from the City’s general obligation bond issues, special assessment, certain federal grants and other specific receipts.

Debt Service Fund – to account for payment of principal and interest on the City’s general obligation bonds. Revenues for this purpose are ad valorem property taxes.

PROPRIETARY FUNDS

Enterprise Funds – to account for operations that are financed and operated in a manner similar to private business enterprises – where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges – or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes. 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

Trust and Agency Funds – to account for assets held by a governmental unit in a trustee capacity or as an agency for individuals, private organizations, or governmental units, and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, (c) Pension Trust Funds, and (d) Agency Funds.

Basis of Presentation – Statutory Basis of Accounting

The statutory basis of accounting, as used in preparation of these 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 or 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 the cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the statutory basis of accounting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 disbursements, 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 generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the City are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statement. The Toronto Housing Authority and the Toronto Public Library, component units, has been omitted from this statement.

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 1 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 the 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 1 of the ensuing year. Consequently, for the 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.

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 revenues. In the financial statement and budget schedules comparisons presented in this report, reimbursements and refunds are recorded as revenues. 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.

Comparative Data

Comparative data for the prior year has been presented in the accompanying financial statement in order to provide an understanding of changes in the City's financial position and operations. However, complete comparative data (i.e.) presentation of prior year totals by fund type in the financial statement has not been presented since their inclusion would make the financial statement unduly complex and difficult to read.

Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, which is a multi-employer statewide 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.

3. 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 for 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 the individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the 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 and special revenue funds as follows:

- Equipment Reserve Fund
- Waterline Project Fund

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 is 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 and Schedule 1, the City was in apparent compliance with Kansas cash basis and budget laws.

4. 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 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 provides an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2011.

At year-end, the City's carrying amount of deposits was \$412,615.73 and the bank balance was \$418,425.69. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000.00 was covered by FDIC insurance and \$168,425.69 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

5. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Toronto 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 66603-3803) or by calling 1-888-275-5737.

Funding Policy

K.S.A 74-4919 establishes the KPERS member-employee contribution rate at 4% or 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 rate established for 2011 was 7.74%. The City of Toronto employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009 were \$4,623.12, \$4,910.60, and \$3,935.32, respectively, equal to the required contributions for each year.

6. 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
General Obligation Bonds: Paid By Tax Levies: Refunding Bonds Series 2009	2.25-4.6%	September 28, 2009	\$ 560,000.00	September 1, 2023	\$ 525,000.00	\$ -	\$ 35,000.00		\$ 490,000.00	\$ 19,672.50
Total Contractual Indebtedness					525,000.00	-	35,000.00		490,000.00	19,672.50
Compensated Absences	N/A	N/A	N/A	N/A	2,774.00			\$ (205.10)	2,568.90	N/A
Total Long-Term Liabilities					\$ 527,774.00	\$ -	\$ 35,000.00	\$ (205.10)	\$ 492,568.90	\$ 19,672.50

Current maturities of long-term liabilities 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	2022-2023	Total
Principal								
General Obligation Bonds: Paid By Tax Levies: Refunding Bonds Series 2009	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 35,000.00	\$ 40,000.00	\$ 235,000.00	\$ 60,000.00	\$ 490,000.00
Total Principal Payments	40,000.00	40,000.00	40,000.00	35,000.00	40,000.00	235,000.00	60,000.00	490,000.00
Interest								
General Obligation Bonds: Paid By Tax Levies: Refunding Bonds Series 2009	18,885.00	17,785.00	16,685.00	15,365.00	14,210.00	44,692.50	4,140.00	131,762.50
Total Interest Payments	18,885.00	17,785.00	16,685.00	15,365.00	14,210.00	44,692.50	4,140.00	131,762.50
Total Principal and Interest	\$ 58,885.00	\$ 57,785.00	\$ 56,685.00	\$ 50,365.00	\$ 54,210.00	\$ 279,692.50	\$ 64,140.00	\$ 621,762.50

7. COMPENSATED ABSENCES

All full-time employees of the City with one year of employment are eligible for vacation benefits in varying annual amounts. Vacation must be used by December 31 of each year end.

Sick leave accrues to all full-time employees at the rate of one day per month to a maximum of 24 days. Employees who terminate by other than retirement or death will not be paid for accumulated sick leave.

The City accrues a liability for compensated absences which meet the following criteria:

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 and, is material.

In accordance with the above criteria, the City has accrued a liability for vacation pay in Note 6, Long-Term Liabilities. The City has not accrued the liability for sick pay which has been earned but not taken by City employees, inasmuch as the amount cannot be reasonably estimated.

8. 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 this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The Premium is paid in full by the insured. There is no cost to the City under this program.

9. ECONOMIC DEPENDENCY

During 2011, the City sold 63.73% of its gallons of water sold to Rural Water District No. 9.

10. 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; employee's health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

11. INTERFUND TRANSFERS

Operating and residual transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Water Utility	G.O. Bond and Interest	K.S.A. 12-825d	\$ 16,000.00
Sewer Utility	G.O. Bond and Interest	K.S.A. 12-825d	6,000.00
Electric Utility	General Fund	K.S.A. 12-825d	17,500.00

12. SUBSEQUENT EVENTS

There were no subsequent events requiring recognition in the financial statement. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTAL INFORMATION

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

Funds	Total Certified Budget	Adjustments for Qualifying Budget Credits	Total Certified Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds					
General	\$ 152,426.00	\$ -	152,426.00	\$ 110,061.03	\$ (42,364.97)
Special Revenue Funds					
Library	3,417.00	-	3,417.00	2,881.10	(535.90)
Special Highway	10,841.00	-	10,841.00	3,705.79	(7,135.21)
Special Liability	12,328.00	-	12,328.00	1,580.82	(10,747.18)
911 Emergency System	6,154.00	-	6,154.00	2,395.94	(3,758.06)
Debt Service Fund					
G.O. Bond and Interest	90,362.00	7,829.52	98,191.52	54,672.50	(43,519.02)
Proprietary Fund Types					
Enterprise Funds					
Electric Utility	296,479.00	-	296,479.00	240,961.07	(55,517.93)
Water Utility	128,406.00	-	128,406.00	96,747.63	(31,658.37)
Sewer Utility	94,225.00	-	94,225.00	38,161.44	(56,063.56)

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
GENERAL FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the 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	\$ 23,004.03	\$ 24,445.91	\$ 27,506.00	\$ (3,060.09)
Delinquent Tax	2,269.12	3,217.41	2,070.00	1,147.41
Motor Vehicle Tax	6,013.28	5,357.47	6,441.00	(1,083.53)
Recreational Vehicle Tax	171.90	96.31	223.00	(126.69)
16M and 20M Tax	650.46	451.78	666.00	(214.22)
Sales Tax	20,905.30	23,235.32	19,500.00	3,735.32
Franchise Tax	5,975.98	4,890.99	7,500.00	(2,609.01)
Intergovernmental				
Federal Grants - FEMA	-	14,598.49	-	14,598.49
Highway Connecting Links	4,818.00	4,818.00	4,800.00	18.00
Local Alcoholic Liquor Tax	-	247.72	160.00	87.72
Charges for Services	359.50	307.50	480.00	(172.50)
Licenses and Permits	699.00	947.00	530.00	417.00
Fines, Forfeitures and Penalties	590.00	456.51	850.00	(393.49)
Use of Money and Property				
Interest Income	1,374.72	802.10	1,560.00	(757.90)
Other Revenues				
Donations	500.00	-	-	-
Miscellaneous	-	500.00	150.00	350.00
Reimbursed Expense	1,302.65	8,785.65	-	8,785.65
Operating Transfers From:				
Electric Utility Fund	17,500.00	17,500.00	17,500.00	-
Sewer Utility Fund	2,500.00	-	2,500.00	(2,500.00)
Total Cash Receipts	88,633.94	110,658.16	\$ 92,436.00	\$ 18,222.16
Expenditures and Transfers				
Subject to Budget				
General Government				
Personal Services	29,743.34	38,308.40	\$ 44,227.00	\$ (5,918.60)
Contractual Services	20,499.56	31,142.16	27,000.00	4,142.16
Commodities	6,278.75	7,230.02	12,000.00	(4,769.98)
Capital Outlay	388.00	19,554.65	5,000.00	14,554.65

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
GENERAL FUND

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures and Transfers Subject to Budget (Continued)				
Public Safety				
Fire Department				
Contractual Services	\$ 2,005.49	\$ 3,807.71	\$ 3,500.00	\$ 307.71
Commodities	984.38	6,419.11	3,000.00	3,419.11
Capital Outlay	39.00	222.50	1,000.00	(777.50)
Municipal Court				
Contractual Services	20.50	146.25	-	146.25
Commodities	-	14.99	-	14.99
Highways and Streets				
Contractual Services	652.32	906.76	500.00	406.76
Commodities	19,697.23	2,030.58	30,000.00	(27,969.42)
Capital Outlay	-	-	23,199.00	(23,199.00)
Culture and Recreation				
Parks and Recreation				
Contractual Services	-	277.90	-	277.90
Library Board				
Appropriations	-	-	3,000.00	(3,000.00)
Employee Benefits				
Contractual Services	5,539.56	-	-	-
Total Expenditures and Transfers Subject to Budget	85,848.13	110,061.03	\$ 152,426.00	\$ (42,364.97)
Receipts Over(Under) Expenditures	2,785.81	597.13		
Unencumbered Cash, Beginning	66,242.38	69,028.19		
Unencumbered Cash, Ending	\$ 69,028.19	\$ 69,625.32		

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
LIBRARY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the 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	\$ 2,022.21	\$ 2,034.19	\$ 2,374.00	\$ (339.81)
Delinquent Tax	203.87	285.46	400.00	(114.54)
Motor Vehicle Tax	527.95	470.94	566.00	(95.06)
Recreational Vehicle Tax	15.06	8.47	19.00	(10.53)
16M and 20M Tax	59.97	39.58	58.00	(18.42)
Other Revenues				
Reimbursed Expense	40.64	42.46	-	42.46
Total Cash Receipts	<u>2,869.70</u>	<u>2,881.10</u>	<u>\$ 3,417.00</u>	<u>\$ (535.90)</u>
Expenditures and Transfers				
Subject to Budget				
Culture and Recreation				
Appropriation to Library Board	2,829.06	2,838.64	\$ 3,417.00	\$ (578.36)
Contractual Services	40.64	42.46	-	(42.46)
Total Expenditures and Transfers				
Subject to Budget	<u>2,869.70</u>	<u>2,881.10</u>	<u>\$ 3,417.00</u>	<u>\$ (620.82)</u>
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
SPECIAL HIGHWAY FUND

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
State Gasoline Tax Payments	\$ 7,076.22	\$ 7,085.56	\$ 7,340.00	\$ (254.44)
Total Cash Receipts	<u>7,076.22</u>	<u>7,085.56</u>	<u>\$ 7,340.00</u>	<u>\$ (254.44)</u>
Expenditures and Transfers				
Subject to Budget				
Highways and Streets				
Contractual Services	-	3,705.79	\$ -	\$ 3,705.79
Commodities	-	-	10,841.00	(10,841.00)
Total Expenditures and Transfers				
Subject to Budget	<u>-</u>	<u>3,705.79</u>	<u>\$ 10,841.00</u>	<u>\$ (7,135.21)</u>
Receipts Over(Under) Expenditures	7,076.22	3,379.77		
Unencumbered Cash, Beginning	<u>1,048.93</u>	<u>8,125.15</u>		
Unencumbered Cash, Ending	<u>\$ 8,125.15</u>	<u>\$ 11,504.92</u>		

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
SPECIAL LIABILITY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2011

(With Comparative Actual Amounts for the 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	\$ 2,022.21	\$ 2,034.19	\$ 2,374.00	\$ (339.81)
Delinquent Tax	203.87	285.46	406.00	(120.54)
Motor Vehicle Tax	527.95	470.94	566.00	(95.06)
Recreational Vehicle Tax	15.06	8.47	19.00	(10.53)
16M and 20M Tax	59.97	39.58	58.00	(18.42)
Other Revenues				
Reimbursed Expense	-	22.00	-	22.00
Total Cash Receipts	2,829.06	2,860.64	3,423.00	(562.36)
Expenditures and Transfers				
Subject to Budget				
General Government				
Contractual Services	1,570.82	1,580.82	\$ 12,328.00	\$ (10,747.18)
Total Expenditures	1,570.82	1,580.82	\$ 12,328.00	\$ (10,747.18)
Subject to Budget	1,570.82	1,580.82	12,328.00	(10,747.18)
Receipts Over(Under) Expenditures	1,258.24	1,279.82		
Unencumbered Cash, Beginning	7,709.74	8,967.98		
Unencumbered Cash, Ending	\$ 8,967.98	\$ 10,247.80		

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
EQUIPMENT RESERVE FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Year Ended December 31, 2011

(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 131.80	\$ 70.02
Total Cash Receipts	131.80	70.02
Expenditures and Transfers		
General Government		
Capital Outlay	5,500.00	-
Total Expenditures and Transfers	5,500.00	-
Receipts Over(Under) Expenditures	(5,368.20)	70.02
Unencumbered Cash, Beginning	12,054.36	6,686.16
Unencumbered Cash, Ending	\$ 6,686.16	\$ 6,756.18

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
911 EMERGENCY SYSTEM FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2011

(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over Under
		Actual	Budget	
Cash Receipts				
Other Revenues				
Charges for Services	\$ 2,314.28	\$ 2,871.07	\$ 2,500.00	\$ 371.07
Total Cash Receipts	<u>2,314.28</u>	<u>2,871.07</u>	<u>\$ 2,500.00</u>	<u>\$ 371.07</u>
Expenditures and Transfers				
Subject to Budget				
Public Safety				
Contractual Services	2,009.67	2,016.69	\$ 6,154.00	\$ (4,137.31)
Commodities	<u>1,038.00</u>	<u>379.25</u>	<u>-</u>	<u>379.25</u>
Total Expenditures				
Subject to Budget	<u>3,047.67</u>	<u>2,395.94</u>	<u>\$ 6,154.00</u>	<u>\$ (3,758.06)</u>
Receipts Over(Under) Expenditures	(733.39)	475.13		
Unencumbered Cash, Beginning	<u>3,327.34</u>	<u>2,593.95</u>		
Unencumbered Cash, Ending	<u>\$ 2,593.95</u>	<u>\$ 3,069.08</u>		

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
ENVIRONMENTAL REMEDIATION GRANT FUND
Schedule of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2011

(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Revenues		
Miscellaneous	\$ 65,359.50	\$ -
Total Cash Receipts	65,359.50	-
Expenditures and Transfers		
General Government		
Contractual Services	94,736.49	-
Total Expenditures and Transfers	94,736.49	-
Receipts Over(Under) Expenditures	(29,376.99)	-
Unencumbered Cash, Beginning	29,376.99	-
Unencumbered Cash, Ending	\$ -	\$ -

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
G.O. BOND AND INTEREST FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2011

(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 17,695.27	\$ 17,798.50	\$ 20,770.00	\$ (2,971.50)
Delinquent Tax	1,721.93	2,462.00	1,576.00	886.00
Motor Vehicle Tax	4,584.69	4,120.82	4,955.00	(834.18)
Recreational Vehicle Tax	130.96	74.09	170.00	(95.91)
16M and 20M Tax	504.13	344.21	511.00	(166.79)
Other Revenues				
Reimbursed Expense	7,829.52	7,829.52	7,830.00	(0.48)
Operating Transfers From:				
Water Utility Fund	19,830.00	16,000.00	16,000.00	-
Sewer Utility Fund	6,000.00	6,000.00	6,000.00	-
Total Cash Receipts	<u>58,296.50</u>	<u>54,629.14</u>	<u>\$ 57,812.00</u>	<u>\$ (3,182.86)</u>
Expenditures and Transfers				
Subject to Budget				
Debt Service				
Principal	35,000.00	35,000.00	\$ 35,000.00	-
Interest	18,925.52	19,672.50	19,673.00	(0.50)
Commissions and Postage	-	-	5.00	(5.00)
Cash Basis Reserve			35,684.00	(35,684.00)
Total Certified Budget			90,362.00	(5.50)
Adjustments for Qualifying				
Budget Credits			7,829.52	(7,829.52)
Total Expenditures				
Subject to Budget	<u>53,925.52</u>	<u>54,672.50</u>	<u>\$ 98,191.52</u>	<u>\$ (7,835.02)</u>
Receipts Over(Under) Expenditures	4,370.98	(43.36)		
Unencumbered Cash, Beginning	<u>32,590.73</u>	<u>36,961.71</u>		
Unencumbered Cash, Ending	<u>\$ 36,961.71</u>	<u>\$ 36,918.35</u>		

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
ELECTRIC UTILITY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2011

(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Services				
Consumer Sales	\$ 246,851.54	\$ 268,816.41	\$ 197,000.00	\$ 71,816.41
Penalties	7,343.38	5,164.09	5,500.00	(335.91)
Connect and Reconnect Fees	50.00	200.00	-	200.00
Other Revenues				
Miscellaneous	160.00	34.48	-	34.48
Reimbursed Expense	1,561.91	7,048.50	-	7,048.50
Total Cash Receipts	255,966.83	281,263.48	\$ 202,500.00	\$ 78,763.48
Expenditures and Transfers				
Subject to Budget				
Production				
Contractual Services	153,659.10	172,453.31	\$ 155,000.00	\$ 17,453.31
Transmission and Distribution				
Personal Services	36,052.07	31,037.46	42,383.00	(11,345.54)
Contractual Services	2,180.73	3,856.47	3,000.00	856.47
Commodities	10,259.65	16,113.83	16,000.00	113.83
Capital Outlay	433.00	-	60,096.00	(60,096.00)
Operating Transfers To:				
General Fund	17,500.00	17,500.00	17,500.00	-
Equipment Reserve Fund	-	-	2,500.00	(2,500.00)
Total Expenditures	220,084.55	240,961.07	\$ 296,479.00	\$ (55,517.93)
Receipts Over(Under) Expenditures	35,882.28	40,302.41		
Unencumbered Cash, Beginning	74,057.26	109,939.54		
Unencumbered Cash, Ending	\$ 109,939.54	\$ 150,241.95		

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
ELECTRIC UTILITY FUND - SECURITY DEPOSITS
 Schedule of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2011

(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest Income	\$ 14.32	\$ 5.04
Other Revenues		
Security Deposits Received	<u>3,290.00</u>	<u>4,714.96</u>
Total Cash Receipts	<u>3,304.32</u>	<u>4,720.00</u>
Expenditures and Transfers		
General Government		
Security Deposits Refunded	<u>3,304.32</u>	<u>4,720.00</u>
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
WATER UTILITY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2011

(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Charges for Services				
Consumer Sales	\$ 92,735.06	\$ 92,874.45	\$ 98,000.00	\$ (5,125.55)
Bulk Sales	215.00	571.00	200.00	371.00
Connect and Reconnect Fees	50.00	200.00	-	200.00
Use of Money and Property				
Interest Income	380.52	285.39	640.00	(354.61)
Other Revenues				
Miscellaneous	100.00	2.00	-	2.00
Reimbursed Expense	500.50	623.48	-	623.48
Total Cash Receipts	93,981.08	94,556.32	\$ 98,840.00	\$ (4,283.68)
Expenditures and Transfers				
Subject to Budget				
Transmission and Distribution				
Personal Services	21,254.78	19,883.41	\$ 22,194.00	\$ (2,310.59)
Contractual Services	4,890.12	7,375.24	10,000.00	(2,624.76)
Commodities	48,512.31	53,488.98	40,000.00	13,488.98
Capital Outlay	433.00	-	37,712.00	(37,712.00)
Operating Transfers To:				
G.O. Bond and Interest Fund	19,830.00	16,000.00	16,000.00	-
Equipment Reserve Fund	-	-	2,500.00	(2,500.00)
Total Expenditures and Transfers Subject to Budget	94,920.21	96,747.63	\$ 128,406.00	\$ (31,658.37)
Receipts Over(Under) Expenditures	(939.13)	(2,191.31)		
Unencumbered Cash, Beginning	22,413.82	21,474.69		
Unencumbered Cash, Ending	\$ 21,474.69	\$ 19,283.38		

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
SEWER UTILITY FUND

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

	Prior Year Actual	Current Year		Variance - Over Under
		Actual	Budget	
Cash Receipts				
Charges for Services				
Consumer Sales	\$ 42,306.53	\$ 39,740.93	\$ 45,000.00	\$ (5,259.07)
Licenses and Permits	-	200.00	-	200.00
Use of Money and Property				
Interest Income	86.63	80.00	100.00	(20.00)
Other Revenues				
Reimbursed Expense	427.77	623.43	-	623.43
Total Cash Receipts	42,820.93	40,644.36	\$ 45,100.00	\$ (4,455.64)
Expenditures and Transfers				
Subject to Budget				
Transmission and Distribution				
Personal Services	21,101.82	19,127.60	\$ 22,220.00	\$ (3,092.40)
Contractual Services	5,605.07	6,750.06	6,000.00	750.06
Commodities	5,226.41	6,283.78	8,000.00	(1,716.22)
Capital Outlay	433.00	-	47,005.00	(47,005.00)
Operating Transfers To:				
General Fund	2,500.00	-	2,500.00	(2,500.00)
Equipment Reserve Fund	-	-	2,500.00	(2,500.00)
G.O. Bond and Interest Fund	6,000.00	6,000.00	6,000.00	-
Total Expenditures				
Subject to Budget	40,866.30	38,161.44	\$ 94,225.00	\$ (56,063.56)
Receipts Over(Under) Expenditures	1,954.63	2,482.92		
Unencumbered Cash, Beginning	46,948.60	48,903.23		
Unencumbered Cash, Ending	\$ 48,903.23	\$ 51,386.15		

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
WATER AND SEWER UTILITY SURPLUS FUND
Schedule of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2011

(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	\$ -
Expenditures	-	-
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	23,644.00	23,644.00
Unencumbered Cash, Ending	\$ 23,644.00	\$ 23,644.00

See accompanying independent auditors' report

CITY OF TORONTO, KANSAS
AGENCY FUNDS

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

	<u>Beginning Cash Balances</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balances</u>
Water Protection Fee Fund	\$ -	\$ 382.74	\$ 382.74	\$ -
Totals	<u>\$ -</u>	<u>\$ 382.74</u>	<u>\$ 382.74</u>	<u>\$ -</u>

See accompanying independent auditors' report