

CITY OF ELLIS, KANSAS

Primary Government Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2012

CITY OF ELLIS, KANSAS
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 For the Year Ended December 31, 2012

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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Ellis, Kansas
Ellis, Kansas

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Adverse Opinion on Aggregate Discretely Presented Related Municipal Entities

The financial statement referred to above includes one related municipal entity, Ellis Public Library and does not include the financial data for the City's legally separate related municipal entity, Ellis Housing Authority. Accounting principles generally accepted in the United States of America

require financial data for all related municipal entities to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its related municipal entities. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash balance of Ellis Housing Authority would have been reported as \$72,304.

Adverse Opinion on Aggregate Discretely Presented Related Municipal Entities

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

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

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

Adverse Opinion on Aggregate Remaining Fund Information

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

Opinion on Regulatory Basis of Accounting

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

Report on Supplementary Information

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

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



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

June 03, 2013

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Fund							
General Fund	\$ 800,346	-	1,466,995	1,430,967	836,374	23,176	859,550
Special Purpose Funds							
Special Highway Fund	101,030	-	53,695	30,902	123,823	943	124,766
Special Parks and Recreation Fund	5,254	-	2,917	-	8,171	-	8,171
Capital Improvement Fund	152,423	-	25,025	72,630	104,818	-	104,818
Capital Improvement Fund - Cemetery Expansion	807	-	-	97	710	-	710
Capital Improvement Fund - Streets	249,746	-	130,000	23,369	356,377	-	356,377
Special Machinery Fund	67,082	-	45,339	62,946	49,475	-	49,475
Library Fund	2,299	-	49,042	50,292	1,049	-	1,049
Bond and Interest Funds							
Bond and Interest Fund	122,393	-	19,878	19,723	122,548	-	122,548
Principal and Interest Fund	163,062	-	464,219	412,311	214,970	-	214,970
Bond Reserve Fund	120,000	-	24,000	-	144,000	-	144,000
TIF Bond Reserve	-	-	80,000	-	80,000	-	80,000
TIF Bond and Interest Fund	-	-	783,745	746,965	36,780	-	36,780
Capital Project Funds							
Water Project Fund	30,743	-	-	30,743	-	-	-
TIF Project Fund - South Ridge	-	-	198,450	187,642	10,808	-	10,808
Business Funds							
Campground Utility Fund	63,935	-	18,952	10,007	72,880	160	73,040
Water Utility Fund	77,953	-	654,937	602,910	129,980	9,417	139,397
Sewer Utility Fund	36,434	-	314,833	257,419	93,848	6,769	100,617
Sanitation Utility Fund	179,188	-	281,191	292,292	168,087	9,658	177,745
Water Depreciation Reserve Fund	638,250	-	25,000	18,589	644,661	-	644,661
Sewer Depreciation Reserve Fund	78,995	-	15,000	-	93,995	-	93,995
Trust Funds							
Coinsurance Fund	97,137	-	192,000	187,799	101,338	-	101,338
Cemetery Endowment Fund	21,286	-	1,938	-	23,224	-	23,224
Community Development Block Grant Fund	46	-	-	46	-	-	-
Total Primary Government	3,008,409	-	4,847,156	4,437,649	3,417,916	50,123	3,468,039
Related Municipal Entity							
Ellis Public Library	27,369	-	62,142	64,304	25,207	1,031	26,238
Total Primary Government	\$ 3,035,778	-	4,909,298	4,501,953	3,443,123	51,154	3,494,277
Composition of Cash							
						Checking Accounts	\$ 3,466,539
						Cash on Hand	1,500
						Total Primary Government	3,468,039
						Total Related Municipal Entity	26,238
						Total Primary Government	\$ 3,494,277

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Ellis, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

Financial Reporting Entity

The City is a municipal corporation governed by an elected six-member council. This financial statement presents the City (the municipality) and its related municipal entity, Ellis Public Library, shown below. The related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents. This financial statement does not include the related municipal entity, Ellis Housing Authority, shown below.

Housing Authority

The City's Housing Authority operates the City's housing projects. The housing authority can sue and be sued, and can buy, sell, or lease real property. Bond issuances must be approved by the City. Audited financial statements can be obtained by contacting the housing authority's office.

Public Library

The City's Library Board operates the City's public library. Acquisition or disposition of real property by the board must be approved by the City. Bond issuances must also be approved by the City.

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

Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2012.

Regulatory Basis Fund Types

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

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

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

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

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for the acquisition or construction of major capital facilities or equipment.

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

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

Basis of Accounting

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

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

Departure From Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the City are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, and temporary notes are not presented in the financial statement.

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied

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

annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the trust funds of the City for special purposes.

Reimbursements

The City records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparison, the expenditures (or expenses) are properly offset by the reimbursements.

NOTE 2 – BUDGETARY INFORMATION

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There was one budget amendment for this year for the Sewer Utility Fund.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special

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

purpose funds: Capital Improvement Fund, Capital Improvement Fund – Cemetery Expansion, Capital Improvement Fund – Streets, and Special Machinery Fund.

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

NOTE 3 – DEPOSITS AND INVESTMENTS

City of Ellis, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City adopted an investment policy during 2007 that would further limit its investment choices.

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

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

At December 31, 2012, the City's carrying amount of deposits was \$3,468,039 and the bank balance was \$3,475,004. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$287,363 was covered by federal depository insurance and \$3,187,641 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

At December 31, 2012, the Public Library's carrying amount of deposits was \$26,238 and the bank balance was \$27,087. The bank balance was held by two banks. The entire bank balance was covered by federal depository 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. The City had no investments

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

at December 31, 2012.

NOTE 4 – INTERFUND TRANSFERS

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

From	To	Regulatory Authority	Amount
General Fund	Special Machinery Fund	KSA 12-1,117	\$ 45,339
General Fund	Capital Improvement Fund	KSA 12-1,118	25,000
General Fund	Capital Improvement Fund - Streets	KSA 12-1,118	130,000
General Fund	Coinsurance Fund	Via Ordinance	103,800
General Fund	Principal and Interest Fund	Resolution	208,006
Sanitation Utility Fund	Coinsurance Fund	Via Ordinance	38,520
Sewer Utility Fund	Sewer Depreciation Reserve	KSA-12.825d	15,000
Sewer Utility Fund	Coinsurance Fund	Via Ordinance	10,320
Campground Utility Fund	Coinsurance Fund	Via Ordinance	1,200
Water Utility Fund	Water Depreciation Reserve Fund	KSA 12-825d	25,000
Water Utility Fund	Coinsurance Fund	Via Ordinance	38,160
Water Utility Fund	Bond Reserve Fund	Resolution	24,000
Water Utility Fund	Principal and Interest Fund	Resolution	256,213
Water Projects Fund	Water Utility	Closed Fund	30,743
TIF Bond and Interest	TIF Bond Reserve Account	Resolution	80,000

NOTE 5 – CAPITAL PROJECTS

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

	Project Authorization	Cash Disbursements and Accounts Payable To Date
South Ridge Redevelopment Project	\$ 198,450	\$ 187,642

NOTE 6 – LITIGATION

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

NOTE 7 – RISK MANAGEMENT

City of Ellis, Kansas carries commercial insurance for risks of loss, including property, general liability, inland marine, automobile, umbrella and employee dishonesty. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

NOTE 8 – GRANTS AND SHARED REVENUES

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

NOTE 9 – RELATED PARTY TRANSACTIONS

City of Ellis, Kansas entered into an arms length transaction with council member David McDaniel. The City paid \$5,510 for supplies purchased from Trio Home Center during the year ended December 31, 2012. David McDaniel is the owner of the business.

NOTE 10 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

City of Ellis, Kansas did not publish the financial statement showing by fund the beginning and ending balances, receipts and expenditures, along with obligation/liability information for the first quarter within 30 days after quarter end, which is a violation of K.S.A. 12-1608.

NOTE 11 – DEFINED BENEFIT PENSION PLAN

Plan Description

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

Funding Policy

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

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **City of Ellis, Kansas** allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

NOTE 13 – COMPENSATED ABSENCES

Vacation

City of Ellis, Kansas' policy regarding vacation for full-time employees is as follows:

<u>Years Worked</u>	<u>Amount Earned</u>
1	40 hours/year
2	80 hours/year
3	88 hours/year
4	96 hours/year
5	104 hours/year
6	112 hours/year
7	120 hours/year
8	128 hours/year
9	136 hours/year
10	144 hours/year
11	152 hours/year
12	160 hours/year
13 and over	168 hours/year

Part-time employees who work at least 20 hours or more per week shall earn vacation at the rate of one half the rate of full-time employees.

Vacation earned may not be taken until the employee completes one full year of service. With the exception of 48 hours of allowable carryover, all vacation must be taken by the employee's anniversary date. The potential liability for vacation at December 31, 2012 was \$22,067. This is not reflected in the financial statement.

Sick Leave

The City's policy for sick leave permits an employee to earn sick leave at the rate of 8 hours per calendar month up to a maximum of 816 hours. The sick leave policy does not allow payment of accumulated sick leave upon termination of employment. The potential liability for sick leave at December 31, 2012 was \$46,835. This is not reflected in the financial statement.

Currently, the Ellis Public Library, a related municipal entity of the City of Ellis, Kansas, allows the head librarian 48 hours of vacation and 44 hours of sick leave after six months of employment. Vacation and sick leave may not be carried to the next year.

NOTE 14 – COMPLIANCE WITH WATER SYSTEM REVENUE BONDS COVENANTS

The Water System Revenue Bonds - Series 2006 requires that the City meet certain covenants set forth by the bond company as long as the bonds remain outstanding.

The City has complied with the covenants set forth in Resolution No. 442, which was adopted on October 2, 2006.

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

There were 1,051 customers being served by the system at January 1, 2012 and 1,040 customers being served at December 31, 2012.

The City carries general liability and property insurance on the water treatment plant property with Employers Mutual Casualty Company. Total replacement value covered is \$3,806,000 under the policy in effect from April 1, 2012 to April 1, 2013. The total premium for general liability and property is \$10,761.

\$24,000 was deposited into the Bond Reserve Fund for the year ended December 31, 2012.

The Water System Revenue Bonds – Series 2006 requires that water rates charged in each year will enable the City to have in each fiscal year net revenues from the system equal to 125 percent of the maximum debt service requirements to be paid out of said revenues in any succeeding fiscal year with respect to the bonds. This provision was complied with for the year ended December 31, 2012.

Net Revenues		\$ 602,404
Maximum Debt Service Requirements	256,230	
	<u>125%</u>	
Net Revenues required		<u>320,288</u>
Excess		\$ <u>282,116</u>

NOTE 15 – LONG-TERM DEBT

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

General Obligation Bonds

On June 1, 2003, the City issued \$56,870 in General Obligation Bonds – Series 2003.

On September 15, 2006, the City issued \$2,170,000 in General Obligation Refunding and Improvement Bonds (\$2,000,000 Improvement and \$170,000 Refunding Bonds). The proceeds from the sale of the Improvement Bonds were used to pay the costs of making certain improvements to the City’s water wells, water treatment facility and distribution system.

On June 24, 2010, the City issued \$348,000 in General Obligation Bonds for the purpose of providing funds to pay the cost of the water system improvements.

Water System Revenue Bonds

On October 15, 2006, the City issued \$3,300,000 in Water System Revenue Bonds, Series 2006 for the purpose of providing funds to pay part of the cost of improving the City’s water utility system.

Taxable Special Obligation Bonds

The City was approved to issue Taxable Special Obligation Bonds to finance improvements in the South Ridge Redevelopment District in an amount not to exceed \$2,045,810. The District qualifies as a tax increment financing district. As such, the bond issue is to be paid for from the additional property taxes realized due to the incremental improvements to property within the District. These bonds are further guaranteed by South Ridge Development, LLC. As of December 31, 2005, \$605,000 has been issued on this bond issue. On March 15, 2006, an additional \$150,000 in Taxable Special Obligation Bonds were issued.

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

Refunded Bonds

On May 30, 2012, the City issued \$885,000 in Taxable Special Obligation Bonds. Simultaneously, \$580,000 of the proceeds was used to establish an escrow account to redeem the two original Taxable Special Obligation Bonds maturing from 2013 to 2026. The remaining proceeds will be used to finance improvements in the South Ridge Redevelopment District in the amount of \$178,000, \$20,450 will be used to pay for the cost of issuance of the bonds, \$26,550 will be used to pay the underwriters' discount and \$80,000 will be placed in the Bond Reserve Account.

According to the terms of this refunding plan, the Taxable Special Obligation Bonds were called on May 30, 2012 and redeemed at such time, all in accordance with the resolution authorizing their issuance. The refunded bonds represent the entire callable portion of the Taxable Special Obligation Bonds. All refunded bonds will be called at a price equal to 100% of the par value thereof, without a premium.

Amount Outstanding Prior to Refunding	Amount to be Refunded	Maturity Dates to be Escrowed	Call Date	Call Price
\$580,000	\$580,000	2013 - 2026	05/30/2012	100

Lease Obligations

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

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

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Capital Leases									
Sanitation Truck	5.50%	04/01/07	\$ 106,583	06/01/14	\$ 50,078	-	(15,840)	34,238	2,815
Fire Truck	5.02%	03/27/09	221,043	03/27/19	185,051	-	(19,363)	165,688	9,295
Revolving Loan									
KDHE - Sludge Basin Construction	3.42%	05/31/96	1,023,155	09/01/18	435,530	-	(56,071)	379,459	13,366
General Obligation Bonds									
Series 2003	3.50%	06/01/03	56,870	08/02/13	13,000	-	(6,000)	7,000	455
Series 2006	3.75 - 4.9%	09/15/06	2,170,000	10/01/26	1,805,000	-	(85,000)	1,720,000	84,348
Series 2010	3.25%	06/24/10	348,000	06/24/50	344,000	-	(4,000)	340,000	11,180
Revenue Bonds									
Water System Revenue Bonds - Series 2006	3.5 - 5%	10/15/06	3,300,000	10/01/26	2,715,000	-	(130,000)	2,585,000	126,230
Taxable Special Obligation Bonds									
Series 2004	6.50%	12/22/04	755,000	12/01/20	580,000	-	(580,000)	-	18,745
Series 2012	3.5 - 5 %	05/30/12	855,000	12/01/24	-	885,000	(50,000)	835,000	18,219
Total Contractual Indebtedness					<u>\$ 6,127,659</u>	<u>885,000</u>	<u>(946,274)</u>	<u>6,066,385</u>	<u>284,653</u>

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

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	
	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028-2032	2033-2037	2038-2042	2043-2047		2048-2050
Principal													
Capital Leases	\$ 37,096	38,835	22,430	23,556	24,740	53,269	-	-	-	-	-	-	199,926
Revolving Loan	58,005	60,006	62,076	64,217	66,432	68,723	-	-	-	-	-	-	379,459
General Obligation Bonds	102,000	100,000	105,000	105,000	110,000	649,000	644,000	41,000	47,000	55,000	65,000	44,000	2,067,000
Revenue Bonds	135,000	145,000	150,000	155,000	160,000	930,000	910,000	-	-	-	-	-	2,585,000
Taxable Special Obligation Bonds	50,000	50,000	55,000	55,000	60,000	335,000	230,000	-	-	-	-	-	835,000
Total Principal	382,101	393,841	394,506	402,773	421,172	2,035,992	1,784,000	41,000	47,000	55,000	65,000	44,000	6,066,385
Interest													
Capital Leases	10,217	8,273	6,228	5,102	3,918	4,047	-	-	-	-	-	-	37,785
Revolving Loan	11,573	9,719	7,800	5,815	3,762	1,639	-	-	-	-	-	-	40,308
General Obligation Bonds	92,158	87,970	83,770	79,308	74,795	292,403	121,015	38,350	31,330	23,205	13,617	2,892	940,813
Revenue Bonds	121,160	115,828	110,027	103,878	97,445	370,225	116,750	-	-	-	-	-	1,035,313
Taxable Special Obligation Bonds	35,237	33,987	32,613	30,825	28,763	103,063	18,050	-	-	-	-	-	282,538
Total Interest	270,345	255,777	240,438	224,928	208,683	771,377	255,815	38,350	31,330	23,205	13,617	2,892	2,336,757
Total Principal and Interest	\$ 652,446	649,618	634,944	627,701	629,855	2,807,369	2,039,815	79,350	78,330	78,205	78,617	46,892	8,403,142

CITY OF ELLIS, KANSAS

Regulatory-Required Supplementary Information

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

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds					
General Fund	\$ 1,772,212	-	1,772,212	1,430,967	(341,245)
General Fund					
Special Purpose Funds					
Special Highway Fund	134,489	-	134,489	30,902	(103,587)
Special Parks and Recreation Fund	5,839	-	5,839	-	(5,839)
Library Fund	54,273	-	54,273	50,292	(3,981)
Bond and Interest Funds					
Bond and Interest Fund	104,737	-	104,737	19,723	(85,014)
TIF Bond and Interest Fund	769,250	-	769,250	746,965	(22,285)
Business Funds					
Campground Utility Fund	58,160	-	58,160	10,007	(48,153)
Water Utility Fund	615,573	-	615,573	602,910	(12,663)
Sewer Utility Fund	266,682	-	266,682	257,419	(9,263)
Sanitation Utility Fund	364,091	-	364,091	292,292	(71,799)

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem	\$ 638,602	641,273	655,307	(14,034)
Delinquent	11,022	6,041	-	6,041
Motor Vehicle	98,975	95,809	85,829	9,980
Transient Guest Tax	16,515	21,707	5,000	16,707
Escape Tax	15	-	-	-
Total Taxes and Shared Revenues	765,129	764,830	746,136	18,694
Intergovernmental				
Compensating Use Tax	51,328	61,913	30,000	31,913
Local Alcoholic Liquor Tax	2,796	2,917	2,620	297
City Sales Tax	338,856	353,902	270,230	83,672
State Aid	4,423	-	-	-
Total Intergovernmental	397,403	418,732	302,850	115,882
Licenses and Permits				
Licenses and Permits	8,987	5,619	6,000	(381)
Franchise Fees	89,905	86,263	65,000	21,263
Total Licenses and Permits	98,892	91,882	71,000	20,882
Miscellaneous				
Grave Openings and Closings	17,920	10,285	3,000	7,285
Copy Fees	139	177	100	77
Miscellaneous	15,969	13,362	7,000	6,362
Capital Credits	4,280	4,469	-	4,469
Insurance Proceeds	1,046	783	-	783
Cemetery Lots	2,613	6,013	1,500	4,513
Pool Fees and Concessions	9,083	11,770	5,000	6,770
Donations/Memorials	7,170	4,379	-	4,379
DARE Program Donations	931	1,079	4,500	(3,421)
Museum Roundup Program	346	321	300	21
Park Committee	-	-	4,000	(4,000)
Sale of Golf Course	-	104,600	-	104,600
Total Miscellaneous	59,497	157,238	25,400	131,838
Fines and Forfeitures				
Fines and Court Costs	16,292	11,117	15,000	(3,883)
Diversions Fees	150	400	-	400
Total Fines and Forfeitures	16,442	11,517	15,000	(3,483)
Use of Money and Property				
Interest	2,881	6,243	-	6,243
Rentals and Leases	19,749	16,553	17,000	(447)
Total Use of Money and Property	22,630	22,796	17,000	5,796

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts (continued)				
Transfers In	\$ 18,307	-	-	-
Total Cash Receipts	<u>1,378,300</u>	<u>1,466,995</u>	<u>1,177,386</u>	<u>289,609</u>
Expenditures				
General Government				
Personal Services	52,774	60,165	49,518	10,647
Contractual	132,301	145,975	155,784	(9,809)
Commodities	15,517	14,249	21,000	(6,751)
Capital Outlay	1,374	1,429	2,500	(1,071)
Total General Government	<u>201,966</u>	<u>221,818</u>	<u>228,802</u>	<u>(6,984)</u>
Police Department				
Personal Services	241,772	235,504	237,213	(1,709)
Contractual	18,706	25,981	19,966	6,015
Commodities	26,006	33,647	32,026	1,621
Total Police Department	<u>286,484</u>	<u>295,132</u>	<u>289,205</u>	<u>5,927</u>
Municipal Court				
Personal Services	7,729	7,719	7,524	195
Contractual	3,976	2,658	7,000	(4,342)
Commodities	112	55	500	(445)
Total Municipal Court	<u>11,817</u>	<u>10,432</u>	<u>15,024</u>	<u>(4,592)</u>
Fire Department				
Personal Services	24,916	19,533	20,374	(841)
Contractual	13,179	13,462	12,000	1,462
Commodities	6,660	9,558	5,500	4,058
Capital Outlay	-	2,792	5,000	(2,208)
Total Fire Department	<u>44,755</u>	<u>45,345</u>	<u>42,874</u>	<u>2,471</u>
Park Department				
Personal Services	43,947	39,222	49,244	(10,022)
Contractual	12,027	10,165	13,100	(2,935)
Commodities	8,216	10,475	16,000	(5,525)
Capital Outlay	-	-	4,500	(4,500)
Total Park Department	<u>64,190</u>	<u>59,862</u>	<u>82,844</u>	<u>(22,982)</u>
Economic Development	<u>3,250</u>	<u>104,600</u>	<u>418,782</u>	<u>(314,182)</u>
Street Department				
Personal Services	58,190	46,629	46,490	139
Sewer				
Contractual	31,954	-	-	-

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Expenditures (continued)				
Appropriations				
Museums	\$ 31,000	31,000	31,000	-
Library	2,000	-	-	-
Library Employee Benefit	2,500	2,500	2,500	-
Alliance and Foundation	20,000	20,000	20,000	-
Other	13,080	13,891	13,080	811
Total Appropriations	68,580	67,391	66,580	811
Swimming Pool				
Personal Services	40,087	37,923	33,502	4,421
Contractual	7,273	4,837	8,389	(3,552)
Commodities	25,192	15,085	10,000	5,085
Total Swimming Pool	72,552	57,845	51,891	5,954
Elections	-	-	2,500	(2,500)
Cemetery Capital Campaign	100	-	-	-
Risk Management	-	77	15,000	(14,923)
DARE Program	4,095	501	4,500	(3,999)
Growing Ellis Parks	472	263	2,000	(1,737)
Tourism and Convention Promotion	9,925	8,927	10,000	(1,073)
CDBG Grant Expenditures	-	-	500	(500)
Transfers Out	506,392	512,145	460,220	51,925
Call Bonds 2017	-	-	35,000	(35,000)
Total Expenditures	1,364,722	1,430,967	1,772,212	(341,245)
Cash Receipts Over (Under) Expenditures	13,578	36,028		
Unencumbered Cash - Beginning	786,768	800,346		
Unencumbered Cash - Ending	\$ 800,346	836,374		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental				
Fuel Tax	\$ 52,130	53,695	52,450	1,245
Use of Money and Property				
Interest	361	-	-	-
Miscellaneous	29	-	-	-
Total Cash Receipts	<u>52,520</u>	<u>53,695</u>	<u>52,450</u>	<u>1,245</u>
Expenditures				
Contractual	18,149	16,374	25,000	(8,626)
Commodities	13,450	14,528	25,000	(10,472)
Capital Outlay	-	-	84,489	(84,489)
Total Expenditures	<u>31,599</u>	<u>30,902</u>	<u>134,489</u>	<u>(103,587)</u>
Cash Receipts Over (Under) Expenditures	20,921	22,793		
Unencumbered Cash - Beginning	<u>80,109</u>	<u>101,030</u>		
Unencumbered Cash - Ending	\$ <u>101,030</u>	<u>123,823</u>		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental				
Local Alcoholic Liquor Tax	\$ 2,796	2,917	2,620	297
Use of Money and Property				
Interest	12	-	-	-
Total Cash Receipts	2,808	2,917	2,620	297
Expenditures				
Capital Outlay	-	-	5,839	(5,839)
Cash Receipts Over (Under) Expenditures	2,808	2,917		
Unencumbered Cash - Beginning	2,446	5,254		
Unencumbered Cash - Ending	\$ 5,254	8,171		

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest	\$ 363	-
Miscellaneous	-	25
Transfers In	25,000	25,000
Total Cash Receipts	<u>25,363</u>	<u>25,025</u>
Expenditures		
Contractual	12,772	6,976
Capital Outlay	18,674	65,654
Total Expenditures	<u>31,446</u>	<u>72,630</u>
Cash Receipts Over (Under) Expenditures	(6,083)	(47,605)
Unencumbered Cash - Beginning	<u>158,506</u>	<u>152,423</u>
Unencumbered Cash - Ending	<u>\$ 152,423</u>	<u>104,818</u>

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest	\$ 93	-
Transfers In	2,500	-
Total Cash Receipts	<u>2,593</u>	<u>-</u>
Expenditures		
Contractual	1,097	97
Capital Outlay	14,924	-
Total Expenditures	<u>16,021</u>	<u>97</u>
Cash Receipts Over (Under) Expenditures	(13,428)	(97)
Unencumbered Cash - Beginning	<u>14,235</u>	<u>807</u>
Unencumbered Cash - Ending	<u>\$ 807</u>	<u>710</u>

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest	\$ 743	-
Transfers In	125,000	130,000
Total Cash Receipts	<u>125,743</u>	<u>130,000</u>
Expenditures		
Contractual	9,197	-
Capital Outlay	154,874	23,369
Total Expenditures	<u>164,071</u>	<u>23,369</u>
Cash Receipts Over (Under) Expenditures	(38,328)	106,631
Unencumbered Cash - Beginning	<u>288,074</u>	<u>249,746</u>
Unencumbered Cash - Ending	<u>\$ 249,746</u>	<u>356,377</u>

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Use of Money and Property		
Interest	\$ 724	-
Miscellaneous	36	-
Transfers In	<u>55,000</u>	<u>45,339</u>
Total Cash Receipts	<u>55,760</u>	<u>45,339</u>
Expenditures		
Contractual	12,619	1,001
Capital Outlay	51,261	33,287
Lease Purchase Payment	<u>72,191</u>	<u>28,658</u>
Total Expenditures	<u>136,071</u>	<u>62,946</u>
Cash Receipts Over (Under) Expenditures	(80,311)	(17,607)
Unencumbered Cash - Beginning	<u>147,393</u>	<u>67,082</u>
Unencumbered Cash - Ending	<u>\$ 67,082</u>	<u>49,475</u>

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem	\$ 42,753	42,255	43,185	(930)
Delinquent	743	403	-	403
Motor Vehicle	6,540	6,384	10,819	(4,435)
Escape Tax	1	-	-	-
Use of Money and Property				
Interest	25	-	-	-
Total Cash Receipts	50,062	49,042	<u>54,004</u>	<u>(4,962)</u>
Expenditures				
Library Appropriations	49,000	50,292	<u>54,273</u>	<u>(3,981)</u>
Cash Receipts Over (Under) Expenditures	1,062	(1,250)		
Unencumbered Cash - Beginning	1,237	2,299		
Unencumbered Cash - Ending	\$ <u>2,299</u>	<u>1,049</u>		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem	\$ 16,492	3,139	3,209	(70)
Delinquent	162	30	-	30
Motor Vehicle	500	225	156	69
Special Assessments	16,482	16,484	5,000	11,484
Use of Money and Property				
Interest	897	-	-	-
Total Cash Receipts	34,533	19,878	8,365	11,513
Expenditures				
Principal	12,268	12,660	12,659	1
Interest	7,527	7,063	7,063	-
Commission Fees	-	-	15	(15)
Reserve for Cash Basis	-	-	30,000	(30,000)
Call Bonds	-	-	55,000	(55,000)
Total Expenditures	19,795	19,723	104,737	(85,014)
Cash Receipts Over (Under) Expenditures	14,738	155		
Unencumbered Cash - Beginning	107,655	122,393		
Unencumbered Cash - Ending	\$ 122,393	122,548		

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 451,181	464,219
Expenditures		
Principal	202,733	208,341
Interest	223,078	203,970
Total Expenditures	425,811	412,311
Cash Receipts Over (Under) Expenditures	25,370	51,908
Unencumbered Cash - Beginning	137,692	163,062
Unencumbered Cash - Ending	\$ 163,062	214,970

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 24,000	24,000
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	24,000	24,000
Unencumbered Cash - Beginning	96,000	120,000
Unencumbered Cash - Ending	\$ 120,000	144,000

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ -	80,000
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	80,000
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	80,000

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Use of Money and Property				
Interest	\$ -	5	-	5
Tax Revenues	80,300	97,190	80,300	16,890
Taxable Special Obligation Bonds	-	686,550	-	686,550
Total Cash Receipts	<u>80,300</u>	<u>783,745</u>	<u>80,300</u>	<u>703,445</u>
Expenditures				
Principal	40,000	630,000	45,000	585,000
Interest	40,300	36,965	37,700	(735)
Transfers Out	-	80,000	-	80,000
a) Adjustment for Qualifying Budget Credits	-	-	686,550	(686,550)
Total Expenditures	<u>80,300</u>	<u>746,965</u>	<u>769,250</u>	<u>(22,285)</u>
Cash Receipts Over (Under) Expenditures	-	36,780		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	<u>36,780</u>		
(a) Adjustment for Qualifying Budget Credits				
Taxable Special Obligation Bonds			\$ <u>686,550</u>	

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Grant	\$ 112,634	-
Expenditures		
Transfers Out	-	30,743
Contractual	300	-
Total Expenditures	<u>300</u>	<u>30,743</u>
Cash Receipts Over (Under) Expenditures	112,334	(30,743)
Unencumbered Cash - Beginning	<u>(81,591)</u>	<u>30,743</u>
Unencumbered Cash - Ending	<u>\$ 30,743</u>	<u>-</u>

CITY OF ELLIS, KANSAS
TIF Project Fund - South Ridge
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Taxable Special Obligation Bonds	\$ -	198,450
Expenditures		
Contractual	-	54,139
Capital Outlay	-	133,503
Total Expenditures	-	187,642
Cash Receipts Over (Under) Expenditures	-	10,808
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	10,808

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
User Fees	\$ 23,590	15,322	11,000	4,322
Pop Sales	-	25	-	25
Donations	2,267	-	-	-
Use of Money and Property				
Rentals and Leases	3,605	3,605	3,500	105
Interest	205	-	-	-
Total Cash Receipts	<u>29,667</u>	<u>18,952</u>	<u>14,500</u>	<u>4,452</u>
Expenditures				
Personal Services	3,101	3,038	3,168	(130)
Contractual	5,987	4,601	7,429	(2,828)
Commodities	947	1,168	3,000	(1,832)
Capital Outlay	-	-	15,000	(15,000)
Transfers Out	1,200	1,200	1,200	-
Campground Expansion	-	-	28,363	(28,363)
Total Expenditures	<u>11,235</u>	<u>10,007</u>	<u>58,160</u>	<u>(48,153)</u>
Cash Receipts Over (Under) Expenditures	18,432	8,945		
Unencumbered Cash - Beginning	<u>45,503</u>	<u>63,935</u>		
Unencumbered Cash - Ending	\$ <u>63,935</u>	<u>72,880</u>		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Water Sales	\$ 577,953	602,404	575,000	27,404
Connects and Disconnects	9,360	12,765	-	12,765
Water Dock	61	99	-	99
Penalties	5,029	5,098	2,500	2,598
Miscellaneous	6,117	3,828	3,000	828
Interest	5,079	-	-	-
Transfers In	-	30,743	-	30,743
Total Cash Receipts	<u>603,599</u>	<u>654,937</u>	<u>580,500</u>	<u>74,437</u>
Expenditures				
Personal Services	130,722	130,390	128,323	2,067
Contractual	89,050	79,583	75,180	4,403
Commodities	55,615	34,384	52,500	(18,116)
Capital Outlay	-	-	1,000	(1,000)
Lease Purchase Payments	2,359	-	-	-
Principal	-	4,000	4,000	-
Interest	-	11,180	11,180	-
Transfers Out	343,249	343,373	343,390	(17)
Total Expenditures	<u>620,995</u>	<u>602,910</u>	<u>615,573</u>	<u>(12,663)</u>
Cash Receipts Over (Under) Expenditures	(17,396)	52,027		
Unencumbered Cash - Beginning	<u>95,349</u>	<u>77,953</u>		
Unencumbered Cash - Ending	<u>\$ 77,953</u>	<u>129,980</u>		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Sewer Charges	\$ 171,265	311,326	205,000	106,326
Interest	417	-	-	-
Penalties	1,640	2,781	1,500	1,281
Miscellaneous	1,260	726	-	726
Total Cash Receipts	<u>174,582</u>	<u>314,833</u>	<u>206,500</u>	<u>108,333</u>
Expenditures				
Personal Services	37,347	44,127	44,500	(373)
Contractual	57,387	92,516	82,371	10,145
Commodities	31,892	24,965	44,000	(19,035)
Lease Purchase Payments	6,560	-	-	-
Principal	54,202	56,071	56,071	-
Interest	15,099	13,366	13,366	-
Commission Fees	1,191	1,054	1,054	-
Transfers Out	10,320	25,320	25,320	-
Total Expenditures	<u>213,998</u>	<u>257,419</u>	<u>266,682</u>	<u>(9,263)</u>
Cash Receipts Over (Under) Expenditures	(39,416)	57,414		
Unencumbered Cash - Beginning	<u>75,850</u>	<u>36,434</u>		
Unencumbered Cash - Ending	\$ <u>36,434</u>	<u>93,848</u>		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Sanitation Charges	\$ 274,144	273,158	255,000	18,158
Recycle Proceeds	9,333	2,769	-	2,769
Interest	774	-	-	-
Penalties	2,311	2,307	2,000	307
Miscellaneous	1,828	2,957	-	2,957
Federal Aid	724	-	-	-
Total Cash Receipts	<u>289,114</u>	<u>281,191</u>	<u>257,000</u>	<u>24,191</u>
Expenditures				
Personal Services	119,906	115,570	133,415	(17,845)
Contractual	86,345	91,450	103,000	(11,550)
Commodities	26,571	28,098	35,000	(6,902)
Capital Outlay	-	-	35,502	(35,502)
Lease Purchase Payment	18,654	18,654	18,654	-
Transfers Out	56,827	38,520	38,520	-
Total Expenditures	<u>308,303</u>	<u>292,292</u>	<u>364,091</u>	<u>(71,799)</u>
Cash Receipts Over (Under) Expenditures	(19,189)	(11,101)		
Unencumbered Cash - Beginning	<u>198,377</u>	<u>179,188</u>		
Unencumbered Cash - Ending	\$ <u>179,188</u>	<u>168,087</u>		

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 25,000	25,000
Expenditures		
Contractual	74,262	18,589
Cash Receipts Over (Under) Expenditures	(49,262)	6,411
Unencumbered Cash - Beginning	687,512	638,250
Unencumbered Cash - Ending	\$ 638,250	644,661

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ -	15,000
Expenditures		
Contractual	16,719	-
Cash Receipts Over (Under) Expenditures	(16,719)	15,000
Unencumbered Cash - Beginning	95,714	78,995
Unencumbered Cash - Ending	\$ 78,995	93,995

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 287	-
Transfers In	<u>192,000</u>	<u>192,000</u>
Total Cash Receipts	192,287	192,000
Expenditures		
Contractual	<u>170,665</u>	<u>187,799</u>
Cash Receipts Over (Under) Expenditures	21,622	4,201
Unencumbered Cash - Beginning	<u>75,515</u>	<u>97,137</u>
Unencumbered Cash - Ending	\$ <u><u>97,137</u></u>	<u><u>101,338</u></u>

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 69	-
Lot Sales	763	1,938
Total Cash Receipts	832	1,938
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	832	1,938
Unencumbered Cash - Beginning	20,454	21,286
Unencumbered Cash - Ending	\$ 21,286	23,224

CITY OF ELLIS, KANSAS
Community Development Block Grant Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid - ARRA	\$ 71,688	-
Federal Aid	25,476	-
Miscellaneous	99	-
Total Cash Receipts	<u>97,263</u>	<u>-</u>
Expenditures		
Grant Expenditures	1,299	-
Construction Costs	61,075	-
Contractual	7,881	-
Miscellaneous	-	46
Total Expenditures	<u>70,255</u>	<u>46</u>
Cash Receipts Over (Under) Expenditures	27,008	(46)
Unencumbered Cash - Beginning	<u>(26,962)</u>	<u>46</u>
Unencumbered Cash - Ending	<u>\$ 46</u>	<u>-</u>

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental	\$ 8,117	7,845
Interest	25	17
Collections	3,713	1,488
Appropriations	<u>52,500</u>	<u>52,792</u>
Total Cash Receipts	<u>64,355</u>	<u>62,142</u>
Expenditures		
Personal Services	36,227	39,891
Contractual	12,564	9,314
Commodities	12,324	13,349
Capital Outlay	<u>5,546</u>	<u>1,750</u>
Total Expenditures	<u>66,661</u>	<u>64,304</u>
Cash Receipts Over (Under) Expenditures	(2,306)	(2,162)
Unencumbered Cash - Beginning	<u>29,675</u>	<u>27,369</u>
Unencumbered Cash - Ending	<u>\$ 27,369</u>	<u>25,207</u>