

**NEW ISSUE  
BANK QUALIFIED**

**NON RATED  
BOOK-ENTRY ONLY**

*In the opinion of Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Notes is: (a) excluded from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The interest on the Notes is exempt from income taxation by the State of Kansas. The Notes are "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). See "TAX MATTERS – Opinion of Bond Counsel" herein.*

**\$172,000  
CITY OF ANTHONY, KANSAS  
GENERAL OBLIGATION TEMPORARY NOTES  
SERIES 2011**

**DATED: November 15, 2011**

**DUE: November 1, 2014**

The Series 2011 General Obligation Temporary Notes (the "Notes") will be issued by the City of Anthony, Kansas (the "Issuer" or the "City"), as fully registered Notes without coupons in the denomination of \$5,000 or any integral multiples thereof, except one Note in the denomination of \$2,000 or such amount plus \$5,000 or any integral multiple thereof (the "Authorized Denomination") and shall be numbered in such manner as the Note Registrar shall determine. Principal will be payable at maturity or earlier redemption upon presentation and surrender of the Notes by the registered owners thereof at the office of Treasurer of the State of Kansas, Topeka, Kansas, as note registrar and paying agent (the "Paying Agent" and "Note Registrar"). Interest on each Note will be payable semiannually on May 1 and November 1, commencing on May 1, 2012 to the persons who are registered owners of the Notes as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding each interest payment date by check or draft of the Paying Agent mailed to such registered owner or, in the case of an interest payment to a registered owner of \$500,000 or more in aggregate principal amount of Notes, by electronic transfer.

The Notes are issued pursuant to the Constitution and statutes of the State of Kansas and constitute a valid and legally binding general obligation of the Issuer, and as such are payable both as to principal and interest general obligation bonds of the Issuer and, to the extent not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Notes as the same become due.

**MATURITY SCHEDULE**  
(See inside cover page)

The Notes are subject to optional redemption prior to maturity on November 1, 2012 or thereafter, in whole or in part at any time at a price equal to 100% of the principal amount plus accrued interest to the date set for redemption (See "Description of the Notes - Redemption of the Notes" herein).

**This cover page contains only a brief description of the Notes and the security therefor. It is not intended to be a summary of material information with respect to the Notes. Investors must read the Official Statement to obtain information essential to the making of an informed investment decision.**

The Notes are offered when, as and if issued by the City, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel. Certain other legal matters will be passed upon by Jim Forsyth, Esq., counsel for the Issuer. It is expected that the Notes will be available for delivery through the facilities of The Depository Trust Company in New York, New York on November 23, 2011

**UMB Bank, N.A.**

This Official Statement is dated November 7, 2011.

**\$172,000**  
**CITY OF ANTHONY, KANSAS**  
**GENERAL OBLIGATION TEMPORARY NOTES**  
**SERIES 2011**

**MATURITY SCHEDULE\***

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST AMOUNT</u>	<u>YIELD</u>	<u>CUSIP</u>
11/1/2014	\$172,000	0.75%	0.75%	<u>Base: 036807</u> FH 3

**THE NOTES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE NOTES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION.**

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**IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE NOTES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

**\$172,000**  
**CITY OF ANTHONY, KANSAS**  
**GENERAL OBLIGATION TEMPORARY NOTES**  
**SERIES 2011**

**MAYOR AND COMMISSIONER**

Larry Claflin

**CITY COMMISSION**

Pat Hal  
Barbara Musel  
Phil Truby  
Steve White

**CITY ADMINISTRATOR/CITY CLERK**

Amber Kummer

**CITY TREASURER**

Angie Hartman

**CITY ATTORNEY**

Laurel McClellan, Esq.  
Anthony, Kansas

**BOND COUNSEL**

Gilmore & Bell, P.C.  
Wichita, Kansas

**PAYING AGENT**

State Treasurer  
Topeka, KS

**FINANCIAL ADVISOR**

Ranson Financial Consultants L.L.C.  
Wichita, Kansas

**UNDERWRITER**

UMB Bank, N.A.  
Kansas City, Missouri

**REGARDING THIS OFFICIAL STATEMENT**

No dealer, broker, salesman or other person has been authorized by the City of Anthony, Kansas (the "City") or by Ranson Financial Consultants, L.L.C. (the "Financial Advisor") to give any information or to make any representations pertaining to the Notes other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Financial Advisor. The information set forth herein concerning the Issuer has been furnished by the Issuer and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter.

Neither the delivery of this Official Statement, nor any sale made after any such delivery, shall under any circumstances create any implication that there has been no change in the affairs of the City since the date of this Official Statement. The summaries of various statutes or documents considered herein are intended as summaries only and are qualified in their entirety by reference to the originals thereof, copies of which are available from the Underwriter or the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities offered hereby, by any person in any state in which it is unlawful for such to make such offer, solicitation or sale.

**TABLE CONTENTS**

	<u>Page</u>
Financial Overview .....	1
Introductory Statement .....	2
Authorization and Purpose .....	2
The Notes .....	2
The Depository Trust Company .....	5
The Project .....	6
Investment Considerations .....	6
Ratings .....	8
Sources and Uses of Funds.....	8
City Government .....	8
Financial Information.....	9
Authority to Incur Debt.....	11
Debt Structure of the Issuer.....	11
Regional, Economic and Demographic Information.....	12
Non-Litigation Certificate .....	14
Financial Advisor .....	14
Underwriter .....	14
Legal Matters .....	15
Tax Matters .....	15
Miscellaneous.....	16
Authorization of Official Statement .....	16

**APPENDICES**

Appendix A - Financial Statements - Fiscal Year Ended December 31, 2010..... A-1

Appendix B - Summary of Financing Documents .....

B-1

## FINANCIAL OVERVIEW

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Equalized Assessed Tangible Valuation (1) (2) (See Page 9) .....	\$11,175,516
Outstanding General Obligation Bonded Indebtedness (3) (See Page 11).....	\$1,368,000
Estimated Population.....	2,224
Per Capita General Obligation Bonded Indebtedness .....	\$615
Ratio of General Obligation Bonded Indebtedness to Equalized Assessed Valuation.....	12.24%
Direct and Overlapping Debt (See Page 12) .....	\$3,102,472
Per Capita Direct and Overlapping Debt.....	\$1,395
Ratio of Direct and Overlapping Debt to Equalized Assessed Valuation .....	27.76%
Ratio of Statutory Direct Debt to Equalized Assessed Valuation .....	7.81%

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(1) Includes real estate, personal property, state assessed utilities and motor vehicle valuation.

(2) Source: County Clerk.

(3) Includes this issue.

**This Financial Overview contains only a brief description of the financial condition of the City. It is not intended to be a summary of all material information with respect to the Notes. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.**

**\$172,000**  
**CITY OF ANTHONY, KANSAS**  
**GENERAL OBLIGATION TEMPORARY NOTES**  
**SERIES 2011**

**INTRODUCTORY STATEMENT**

**General**

The purpose of this Official Statement is to set forth certain information concerning the issuance and sale by the City of Anthony, Kansas, (the "Issuer" or "City") of \$172,000 aggregate principal amount of its General Obligation Temporary Notes, Series 2011 (the "Notes"), dated November 15, 2011. The Issuer is a city of the third class, organized and existing under and pursuant to the Constitution and laws of the State of Kansas.

The Notes will be issued pursuant to a resolution adopted by the Governing Body of the Issuer (the "Resolution") and pursuant to the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State of Kansas.

The Appendices are an integral part of this Official Statement and should be read in their entirety.

Except for the information expressly attributed to other sources, all information has been provided by the Issuer. The presentation of information herein, including tables of receipts of various taxes, is intended to show historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that the past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Ranson Financial Consultants, L.L.C. Wichita, Kansas, Financial Advisor, has assisted in the preparation of the Official Statement, but has not verified all of the factual information contained herein, nor has it conducted an independent investigation of the affairs of the City for the purposes of passing upon the accuracy or completeness of this Official Statement. Bond Counsel has not assisted in the preparation of this Official Statement, except to the extent described under the section captioned "THE NOTES," "LEGAL MATTERS" and "TAX MATTERS," and accordingly express no opinion as to the accuracy or sufficiency of any other information contained herein.

The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 (the "Rule"), requiring continuous secondary market disclosure for certain issues. The Issuer is relying on a provision of the Rule that exempts issues of less than \$1,000,000 aggregate principal amount from the requirements of the Rule and therefore has not covenanted to provide continuous secondary market disclosure. The Issuer intends to supply its most recent unaudited financial statements to any Registered Owner upon written request and reimbursement to the Issuer of the costs of the photocopying and mailing. The absence of continuing disclosure of financial or other information pertaining to the Issuer may impair the development of a secondary market for the Notes and could impair the ability of a Registered Owner to sell the Notes in the secondary market.

**AUTHORIZATION AND PURPOSE**

The Notes are being issued under the authority of and pursuant to and in full compliance with the Constitution and laws of the State of Kansas, specifically K.S.A. 10-123, K.S.A. 65-163d *et seq.*, as amended, and a resolution adopted by the governing body of the Issuer (the "Resolution"). The proceeds of the Notes will be used to provide financing for certain public water supply improvements (see the section captioned "The Projects" herein). A portion of the proceeds of the sale of the Notes will also be used to pay the costs of issuance and interest on the Notes.

**THE NOTES**

**General**

The Notes are issuable as fully registered notes without coupons each in the denomination of \$5,000, or any integral multiple thereof, except one Note in denomination of \$2,000 (or such amount added to \$5,000 or an integral multiple thereof) (the "Authorized Denomination"), and may be numbered in such manner as the Note Registrar shall determine. The Notes shall be dated as of November 15, 2011 and shall mature on November 1, 2014, subject to redemption and payment prior to their Stated Maturity, and shall bear interest at the rate per annum, set forth on the inside cover page hereof.

The principal of, premium if any, and interest on the Notes shall be payable in lawful money of the United States of America at the principal office of the Treasurer of the State of Kansas, Topeka, Kansas, as Paying Agent, (the "Paying Agent") upon presentation of the Notes for payment and cancellation. The Notes shall bear interest (computed on the basis of twelve 30-day months) from the Dated Date thereof.

The Issuer shall cause books for the registration and for the transfer of the Notes to be kept by the office of the Treasurer of the State of Kansas, Topeka, Kansas, as Note Registrar (the "Note Registrar"). The principal of, premium, if any, and interest on any fully

registered Note shall be payable only to or upon the order of the registered owner or his legal representative upon presentation and surrender thereof.

### **Designation of Paying Agent and Note Registrar**

The Issuer will at all times maintain a paying agent and Note registrar meeting the qualifications set forth in the Resolution. The Issuer reserves the right to appoint a successor paying agent or bond registrar. No registration or removal of the paying agent or bond registrar shall become effective until a successor has been appointed and has accepted the duties of paying agent or bond registrar. Every paying agent or bond registrar appointed by the Issuer shall at all times meet the requirements of Kansas law.

### **Security for the Notes**

The Notes constitute general obligations of the Issuer and are payable both as to principal and interest, from general obligation bonds of the Issuer, and if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal and interest on the Notes as the same become due.

### **Payments Due on Saturdays, Sundays and Holidays**

In any case where a Note Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Note Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Note Payment Date, and no interest shall accrue for the period after such Note Payment Date.

### **Registration, Transfer and Exchange of Notes**

As long as any of the Notes remain Outstanding, each Note when issued shall be registered in the name of the Owner thereof on the Note Register. Notes may be transferred and exchanged only on the Note Register as hereinafter provided. Upon surrender of any Note at the principal office of the Note Registrar, the Note Registrar shall transfer or exchange such Note for a new Note or Notes in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Note that was presented for transfer or exchange. Notes presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Note Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Notes is exercised, the Note Registrar shall authenticate and deliver Notes in accordance with the provisions of the Resolution. The Issuer shall pay the fees and expenses of the Note Registrar for the registration, transfer and exchange of Notes. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Note Registrar, are the responsibility of the Owners of the Notes. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The Issuer and the Note Registrar shall not be required (a) to register the transfer or exchange of any Note that has been called for redemption after notice of such redemption has been mailed by the Paying Agent and during the period of 15 days next preceding the date of mailing of such notice of redemption; or (b) to register the transfer or exchange of any Note during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest.

### **Mutilated, Lost, Stolen or Destroyed Notes**

If (a) any mutilated Note is surrendered to the Note Registrar or the Note Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (b) there is delivered to the Issuer and the Note Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Note Registrar that such Note has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Note Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of the same Stated Maturity and of like tenor and principal amount. If any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Issuer, in its discretion, may pay such Note instead of issuing a new Note. Upon the issuance of any new Note under this Section, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

### **Nonpresentation of Notes**

If any Note is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Note have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Resolution or on, or with respect to, said Note. If any Note is not presented for payment within four (4) years following the date when such Note becomes due at Maturity, the Paying Agent shall repay to the Issuer the

funds theretofore held by it for payment of such Note, and such Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

**SO LONG AS CEDE & CO. REMAINS THE REGISTERED OWNER OF THE NOTES, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES.** See “THE NOTES – Book-Entry Notes; Securities Depository.”

### **Book-Entry Notes: Securities Depository**

The Notes shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Notes, except in the event the Note Registrar issues Replacement Notes. It is anticipated that during the term of the Notes, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Notes to the Participants until and unless the Note Registrar authenticates and delivers Replacement Notes to the Beneficial Owners as described in the following paragraphs.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

(a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Notes being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Notes; or

(b) if the Note Registrar receives written notice from Participants having interest in not less than 50% of the Notes Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Notes being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Notes, then the Note Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Note Registrar shall register in the name of and authenticate and deliver Replacement Notes to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Note Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Note. Upon the issuance of Replacement Notes, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Note Registrar, to the extent applicable with respect to such Replacement Notes. If the Securities Depository resigns and the Issuer, the Note Registrar or Owners are unable to locate a qualified successor of the Securities Depository, then the Note Registrar shall authenticate and cause delivery of Replacement Notes to Owners, as provided herein. The Note Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Notes. The cost of printing, registration, authentication, and delivery of Replacement Notes shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Note Registrar receives written evidence satisfactory to the Note Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Note Registrar upon its receipt of a Note or Notes for cancellation shall cause the delivery of the Notes to the successor Securities Depository in appropriate denominations and form as provided in the Note Resolution.

### **Redemption of the Notes**

#### Optional Redemption

At the option of the Issuer, the Notes may be called for redemption and payment prior to their Stated Maturity on November 1, 2012 and thereafter as a whole or in part at any time (selection of the amount of Notes to be redeemed to be determined by the Issuer in such equitable manner as it may determine) at the Redemption Price of 100% (expressed as a percentage of the percentage of the principal amount), plus accrued interest thereon to the Redemption Date.

## Selection of Notes to be Redeemed

Notes shall be redeemed only in an Authorized Denomination. When less than all of the Notes are to be redeemed and paid prior to their Stated Maturity, such Notes shall be redeemed in such manner as the Issuer shall determine, Notes of less than a full Stated Maturity shall be selected by the Note Registrar in minimum Authorized Denomination in such equitable manner as the Note Registrar may determine. In the case of a partial redemption of Notes by lot when Notes of denominations greater than a minimum Authorized Denomination are then outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination of face value shall be treated as though it were a separate Note of a minimum Authorized Denomination. If it is determined that one or more, but not all, of the minimum Authorized Denomination value represented by any Note is selected for redemption, then upon notice of intention to redeem such minimum Authorized Denomination, the Owner or the Owner's duly authorized agent shall forthwith present and surrender such Note to the Note Registrar: (1) for payment of the Redemption Price and interest to the Redemption Date of such minimum Authorized Denomination value called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Note or Notes of the aggregate principal amount of the unredeemed portion of the principal amount of such Note. If the Owner of any such Note fails to present such Note to the Paying Agent for payment and exchange as aforesaid, such Note shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination value called for redemption (and to that extent only).

## Notice of Redemption

Notice of the call for redemption will be mailed United States first class mail to the Registered Owners of the Notes to be redeemed at the address shown on the registration books maintained by the Note Registrar, not less than 30 days prior to the redemption date. Interest will not be payable on the Notes after the Redemption Date if notice has been given and if sufficient monies have been deposited with the Paying Agent to pay the principal of, applicable redemption premiums, if any, and interest on the Notes on or prior to the Redemption Date.

For so long as the Securities Depository is effecting book-entry transfers of the Notes, the Notes Registrar shall provide the notices specified to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or a failure on the part of a nominee of a Beneficial Owner of a Note (having been mailed notice from the Note Registrar, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Note so affected, shall not affect the validity of the redemption of such Note.

## THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company ("DTC", New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each scheduled maturity of the Notes, and will be deposited with DTC.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

4. To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

## THE PROJECT

Proceeds from the Notes will be used to finance improvements to the City's public water supply system, hereinafter called the "Project" and to pay certain costs of issuance associated with the issuance of the Notes.

## INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE NOTES DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE NOTES WHICH MUST BE RECOGNIZED.

### **Taxation of Interest on the Notes**

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Notes is excludable from gross income for federal income tax purposes under current provisions of the Code, and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Notes includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Resolution and in other documents and certificates to be delivered in connection with the issuance of the Notes to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain

actions after the issuance of the Notes. Because the existence and continuation of the excludability of the interest on the Notes depends upon events occurring after the date of issuance of the Notes, the opinion of Bond Counsel described under "TAX MATTERS -- Opinion of Bond Counsel" assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Notes in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Notes to become includable in gross income as of the date of issuance.

## **Market for the Notes**

### Secondary Market.

There is no assurance that a secondary market will develop for the purchase and sale of the Notes. The absence of a continuing secondary market disclosure may adversely impact the development of a secondary market. It is the present practice of the Underwriter, however, to make a secondary market as dealers in issues of municipal notes which the Underwriter distributes. The Underwriter intends to continue this practice with respect to the Notes, but is not obligated to do so. Prices of notes traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary for the Underwriter to suspend indefinitely secondary market trading in the Notes as a result of the financial condition or market position of the Underwriter, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the financial condition of the Issuer, whether or not the Notes are in default as to principal and interest payments, and other factors which in the opinion of the Underwriter may give rise to uncertainty concerning prudent secondary market practices.

## **Legal Matters**

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Notes. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Issuer or the taxing authority of the Issuer. Changes in laws affecting the taxing authority of the Issuer could limit the ability of the Issuer to collect revenue sufficient to pay principal and interest on the Notes.

## **Limitations on Remedies Available to Owners of Notes**

The enforceability of the rights and remedies of the owners of Notes, and the obligations incurred by the Issuer in issuing the Notes, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Notes to judicial discretion interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

## **Premium on Notes**

Any person who purchases a Note in excess of its principal amount, whether during the initial offering or in a secondary market transaction, should consider that the Notes are subject to redemption at par under the various circumstances described under "THE NOTES – Redemption Provisions."

## **No Additional Interest or Mandatory Redemption upon Event of Taxability**

The Note Resolution does not provide for the payment of additional interest or penalty on the Notes or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, the Note Resolution does not provide for the payment of any additional interest or penalty on the Notes if the interest thereon becomes includable in gross income for Kansas income tax purposes.

## **Suitability of Investment**

The tax-exempt feature of the Notes is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment and whether or not the Notes are an appropriate investment.

**Market for the Notes**

**Lack of Note Rating.** The Notes are **not** rated and no application has been made for a rating.

**Secondary Market.** There is no assurance that a secondary market will develop for the purchase and sale of the Notes. The absence of continuing disclosure of financial or other information pertaining to the Issuer may impair the development of a secondary market for the Notes and could impair the ability of an owner to sell the Notes in the secondary market. Prices of Notes traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary to suspend indefinitely secondary market trading in the Notes as a result of financial condition or market position of broker-dealers, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the financial condition of the Issuer, whether or not the Notes are in default as to principal and interest payments, and other factors which may give rise to uncertainty concerning prudent secondary market practices.

THE FOREGOING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE NOTES.

Prospective purchasers of the Notes should analyze carefully the information contained in this Official Statement and additional information in the form of the complete documents summarized herein, copies of which are available and may be obtained from the Underwriter.

**RATINGS**

The Issuer has **not** applied for a rating on the Notes herein offered for sale.

**SOURCES AND USES OF FUNDS**

**Sources of Funds:**

Proceeds of the Notes.....	\$172,000.00
<b>Total Sources of Funds.....</b>	<b>\$172,000.00</b>

**Use of Funds:**

<i>Project Fund</i> .....	\$152,835.88
<i>Costs of Issuance</i> .....	18,391.84
<i>Underwriter's Discount</i> .....	772.28
<b>Total Uses of Funds .....</b>	<b>\$172,000.00</b>

**CITY GOVERNMENT**

The City is a municipal corporation and a city of the second class. The City has a Commission form of government. The Commission conducts all legislative functions for the City and establishes general policies which are executed by its staff, which serves at its pleasure.

The principal officials and officers of the City are as follows:

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Mayor and Commissioner	Larry Claflin	2015
City Commission	Pat Hall	2013
	Barbara Muse	2013
	Phil Truby	2015
	Steve White	2013
City Administrator/City Clerk	Amber Kummer	N/A
City Attorney	Laurel McClellan, Esq.	N/A
City Treasurer	Angie Hartman	N/A

**Management Personnel**

The City Clerk is appointed by the Mayor, subject to Commission approval, and is charged with the efficient and effective administration of the City.

## FINANCIAL INFORMATION

### Accounting, Budgeting and Auditing Procedures

The City follows a statutory basis of accounting for all tax funds of the City, including the General Fund, which is designed to show compliance with the cash basis and budget laws of the State of Kansas.

An annual budget of estimated receipts and disbursements for the coming calendar year is required by statute to be prepared for all funds (unless specifically exempted). The budget is prepared utilizing the modified accrual basis which is further modified by the encumbrance method of accounting. For example, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes. The proposed budget is presented to the governing body of the City prior to August 1, with a public hearing required to be held prior to August 15, with the final budget to be adopted prior to August 25 of each year. Budgets may be amended upon action of the governing body after notice and public hearing, provided that no additional tax revenues may be raised after the original budget is adopted.

Kansas law prohibits governmental units from creating indebtedness unless there are funds on hand in the proper accounts and unencumbered by previous action with which to pay such indebtedness. An exception to this cash-basis operation is made where provision has been made for payment of obligations by bonds or other specific debt obligations authorized by law.

The financial records of the City are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by Adams, Brown, Beran & Ball, CHTD., Certified Public Accountants, Hutchinson, Kansas. Copies of the audit reports for the past five (5) years are on file in the Clerk's office and are available for review. The audit for the Fiscal Year 2010 is attached hereto as Appendix A.

The financial information contained in the Appendices to this Official Statement are an integral part of this document and are intended to be read in conjunction herewith.

### Property Valuations

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the state of Kansas is the responsibility of the various counties under the direction of state statutes. The Harper County Appraiser's office determines the assessed valuation that is to be used as a basis for the mill levy on property located in the City.

In conjunction with the November, 1992 general election, Kansas voters approved a proposition to modify the state constitution with respect to classification of property for ad valorem taxation. The modified classification provisions shall be effective for assessment and taxation of property on and after January 1, 1993 and each year thereafter. Property is divided into two classes, real property and personal property. Real property is divided into seven subclasses; there are six subclasses of personal property. The real property (Class 1) subclasses are: (i) real property used for residential purposes including multi-family mobile or manufactured homes and the real property on which such homes are located, assessed at 11.5%, (ii) agricultural land, valued on the basis of agricultural income or productivity, assessed at 30%, (iii) vacant lots, assessed at 12%, (iv) real property, owned and operated by a not-for-profit organization not subject to federal income taxation, pursuant to Section 501 of the Internal Revenue Code, assessed at 12%, (v) public utility real property, except railroad real property, assessed at the average rate that all other commercial and industrial property is assessed, assessed at 33%, (vi) real property used for commercial and industrial purposes and buildings and other improvements located on land devoted to agricultural use, assessed at 25%, and (vii) all other urban and real property not otherwise specifically classified, assessed at 30%. Tangible personal property (Class 2) subclasses are: (i) mobile homes used for residential purposes, assessed at 11.5%, (ii) mineral leasehold interests, except oil leasehold interests, the average daily production from which is 5 barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25%, assessed at 30%, (iii) public utility tangible personal property, including inventories thereof, except railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed, assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985, assessed at 20%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

## Assessed Valuations

The following table shows the assessed valuation of the taxable tangible property within the City for the following years:

<u>Year</u>	<u>Assessed Valuation</u>
2010	\$8,830,157
2009	8,752,115
2008	8,611,410
2007	8,459,954
2006	8,432,116

\* Excluding motor vehicles

Source: County Clerk

## Property Tax Levies and Collections

### Tax Rates:

The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser.

The aggregate tax levies (per \$1,000 assessed valuation) of the City and underlying jurisdictions for the years indicated are included in the following table:

**Mill Levy  
(Per \$1,000 Assessed Valuation)  
(2006 to 2010, inclusive)**

<u>Tax Year</u>	<u>Budget Year</u>	<u>City of Anthony</u>	<u>Harper County</u>	<u>USD No. 361</u>	<u>Hospital</u>	<u>State</u>	<u>Total</u>
2010	2011	69.902	79.343	50.151	23.569	1.500	224.465
2009	2010	68.731	68.023	50.769	23.537	1.500	212.560
2008	2009	68.239	62.933	43.607	23.657	1.500	199.936
2007	2008	68.296	65.734	42.306	24.048	1.500	201.884
2006	2007	69.521	61.754	43.174	22.290	1.500	198.242

Source: County Clerk

### Tax Collection Record:

The following table lists the City's taxes levied and collected over a five-year period:

<u>Year</u>	<u>Taxes Levied</u>	<u>Taxes Collected</u>	<u>Percentage of Taxes Collected</u>
2010	\$617,243	N/A	N/A
2009	599,533	\$567,799	94.71%
2008	590,184	555,039	94.05%
2007	578,702	552,557	95.48%
2006	603,886	574,507	95.14%

Source: County Clerk

## Pension and Employee Retirement Plans

The City participates in the Kansas Public Employees Retirement System (KPERS) established by the Kansas Legislature in 1961. KPERS is a cost-sharing, multiple-employer public employee retirement system. There are approximately 150,000 current and former public employees who are members of KPERS. These members represent over 1,200 state and local agencies and other political subdivisions and instrumentalities. A Board of Trustees administers KPERS. In 1992, legislation revised the number of Board Members and how they are appointed. The number of members was increased from seven to nine, four of which are appointed by the Governor and confirmed by the Senate; one appointed by the Senate President; one appointed by the Speaker of the House; two elected by KPERS members and retirees; and one appointed by the State Treasurer. City employees annually contribute 4% of their gross salary to the System. The City's contribution varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS. For 2010, the City's contribution is 7.14%.

AUTHORITY TO INCUR DEBT

Equalized Assessed Valuation of Tangible Valuation

For Computation of Bonded Debt Limitations*	\$11,175,516
Legal limitation of Bonded Debt <sup>1</sup>	\$3,352,654
Outstanding general obligation debt as of November 15, 2011**	\$1,368,000
Exempt Debt	\$494,944
Net Debt against Statutory Debt limit capacity	\$873,056
Additional debt capacity	\$2,479,598
Direct debt per capita	\$615
Overlapping Indebtedness	\$1,734,472
Direct and overlapping debt	\$3,102,472
Direct and overlapping debt per capita	\$1,395
Direct debt as a percentage of Equalized Assessed Valuation	12.24%
Direct & overlapping debt as a percentage of Equalized Assessed Valuation	27.76%
Statutory direct debt as a percentage of Equalized Assessed Valuation	7.81%

<sup>1</sup> K.S.A. 10-301 *et seq.*

\* Includes motor vehicle valuation.

\*\* Includes this issue.

DEBT STRUCTURE OF THE ISSUER

**Current Indebtedness of the Issuer**

The following tables set forth as of November 15, 2011 all of the outstanding obligations of the Issuer including the Notes:

**Outstanding General Obligation Debt  
(As of November 15, 2011)**

<u>Issue</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>	<u>Exempt Amount</u>	<u>Amount Included in Debt Limitation</u>
GO Bonds	06/15/2005	\$235,000	\$150,000	\$ 0	\$150,000
GO Bonds	01/15/2008	255,000	225,000	0	225,000
GO Bonds	01/15/2009	355,000	290,000	61,944	228,056
GO Bonds	04/15/2010	280,000	<u>270,000</u>	<u>0</u>	<u>270,000</u>
Total			\$935,000	\$61,944	\$873,056

**Temporary Notes Outstanding  
(As of November 15, 2011)**

<u>Issue</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>	<u>Exempt Amount</u>	<u>Amount Included in Debt Limitation</u>
GO Temp Notes	08/01/2010	\$261,000	\$261,000	\$261,000	\$0
GO Temp Notes	06/01/2011	172,000	<u>172,000</u>	<u>172,000</u>	<u>0</u>
Total			\$433,000	\$433,000	\$0

\* This issue.

**Revenue Bonds Outstanding  
(As of November 15, 2011)**

<u>Issue</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
El. Utility Refunding Revenue Bonds	10/15/2004	2,805,000	1,615,000
El. Utility System Revenue Bonds	07/15/2005	300,000	<u>225,000</u>
Total			\$1,840,000

**Loans Outstanding  
(As of November 15, 2011)**

<u>Issue</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
KDHE Revolving Loan	09/01/2002	\$1,885,432	\$1,132,047
KDHE Revolving Loan		440,000	<u>296,076</u>
Total			\$1,532,913

## Capital Lease Obligations

<u>Lease</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Altec Digger Truck	\$169,788	\$24,541
Industrial Devt. Bldg	101,353	47,703
Kerr Addition	85,000	70,997
Loader	60,621	4,535
Tractor/Mower	58,617	21,855
Building Demolition	53,699	45,328
Backhoe	45,450	3,401
Truck	38,854	2,948
Mower	28,954	12,239
Truck	28,596	15,686
Truck	21,567	9,216
Sedan	20,395	10,465
Flat Bed	7,761	3,320
Car	6,170	453
Police Garage	4,745	<u>3,511</u>
Total		\$276,198

### Debt Payment Record

The City has never in its history defaulted on the payment of any of its debt obligations.

### Overlapping Indebtedness

The following table sets forth overlapping indebtedness as of November 15, 2011, and the percent attributable (on the basis of assessed valuation) to the City.

<u>Taxing Jurisdiction</u>	<u>2010 Assessed Valuation*</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to City</u>	<u>Amount Applicable to City</u>
Harper County	\$68,184,304	\$2,059,495	12.95%	\$ 266,704
U.S.D. No. 361	49,408,211	6,526,156	17.87%	1,166,224
Anthony Hospital	21,458,399	732,794	41.15%	<u>301,544</u>
Total				\$1,734,472

\* Doesn't include motor vehicle valuation.

## REGIONAL, ECONOMIC AND DEMOGRAPHIC INFORMATION

### General

The City of Anthony is the county seat for Harper County. The City has a current estimate population of 2,224. The City owns the water and sanitary sewer utilities systems. The City supplies electricity to its residents. Atmos Gas Company supplies natural gas to the City. Telephone service is provided by Southwestern Bell Telephone.

### Transportation and Communication Facilities

The City is served by Kansas Highway 44, Kansas Highway 179 and Kansas Highway 2. The nearest public airport is within two miles of the City. The lighted runway surface is asphalt with a length of 3,600 feet. The nearest commercial air service is available at Mid-Continent Airport in Wichita, KS, 55 miles northeast of the City.

### Educational Institutions and Facilities

Unified School District No. 361 operates one elementary school, one junior high school and one senior high school in the City. The current estimated enrollment is about 840 students. Hutchinson Community College is located within 80 miles from the City. Barton Community College, Wichita State University and Friends University are all located within 100 miles from the City. Butler County Community College and Fort Hays State University are located within 115 miles from the City.

### Recreational Facilities

Various recreational facilities are available for the City's residents including public parks, swimming pool, baseball diamond complex, tennis courts, basketball courts, historical museum, horse and greyhound tracks. There is also a lake, gun club, golf club and driving range in the City. The City currently has 10 churches.

## Largest Taxpayers of the City

The following table provides the list of the largest taxpayers of the City, their assessed valuations and taxes levied in 2010:

<u>Name</u>	<u>Assessed Valuation</u>	<u>Taxes levied</u>
Atmos Energy	\$453,331	\$101,756
Anthony Farmers Coop	225,067	50,323
Southwestern Bell	124,043	27,843
Individual	119,615	26,762
Individual	101,480	22,762
Individual	94,743	21,266
Conrady Implement	92,138	20,681
Individual	87,287	19,546
Individual	82,943	18,163
Individual	72,979	16,335

Source: County Clerk

## Labor Force

The following table sets forth labor force figures for Harper County and the State of Kansas:

### HARPER COUNTY

<u>Average For Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2009	3,451	3,275	176	5.1%
2008	3,427	3,322	105	3.1%
2007	3,389	3,290	99	2.9%
2006	3,442	3,331	111	3.2%
2005	3,418	3,291	127	3.7%

### STATE OF KANSAS

<u>Average For Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate</u>
2009	1,518,924	1,416,942	101,982	6.6%
2008	1,493,751	1,427,860	65,891	4.4%
2007	1,480,252	1,419,695	60,557	4.4%
2006	1,470,192	1,405,922	64,270	4.4%
2005	1,465,098	1,390,298	74,800	5.5%

Source: Kansas Statistical Abstract

## Agriculture

The following table lists the total value of field crops and livestock/poultry produced in Harper County for the years listed:

### HARPER COUNTY

<u>Year</u>	<u>Total Value Of Field Crops (\$000)</u>	<u>Total Value Of Livestock/Poultry (\$000)</u>	<u>Total Value Of Cattle/Milk (\$000)</u>	<u>Total (\$000)</u>
2007	\$17,809	\$75,615	N/A	\$93,424
2006	33,772	N/A	\$25,601	59,373
2005	37,269	N/A	26,442	63,711
2004	31,529	N/A	20,568	52,097
2003	44,280	N/A	28,432	72,712

Source: Kansas Statistical Abstract

## Financial and Banking Institutions

There are four banks in the County. During a seven-year period, bank deposits of the County's banks have been as follows:

<u>Year</u>	<u>Total Bank Deposits (thousands of dollars)</u>
2009	\$167,000
2008	165,000
2007	146,000
2006	142,000
2005	132,000

Source: Kansas Statistical Abstract

## Population Trends

The following table shows the approximate population of Harper County in the years indicated:

<u>Year</u>	<u>Harper County Population</u>
2009	5,667
2008	5,772
2007	5,741
2006	5,822
2005	5,970

Source: Kansas Statistical Abstract

## Personal Income Trends

Harper County per capita income and the State of Kansas per capita income are listed for the years indicated in the following table:

<u>Year</u>	<u>Harper Co. Total Personal Income (\$000)</u>	<u>Harper Co. Per Capita Income</u>	<u>State Per Capita Income</u>
2008	\$227,861	\$39,477	\$38,886
2007	204,596	35,638	37,414
2006	214,754	36,887	35,764
2005	203,144	34,027	33,136
2004	185,246	30,363	31,922

Source: Kansas Statistical Abstract

## NON-LITIGATION CERTIFICATE

At the present time there is no controversy, suit or other proceedings of any kind pending or threatened whereby any question is raised or may be raised questioning or affecting in any way the legal organization of the City or its boundaries or the right or title of any of its officers to their respective offices, or the legality of any official act shown to have been done in the Transcript of proceedings leading up to the issuance of the Notes, or the constitutionality or validity of the indebtedness represented by the Notes shown to be authorized in said Transcript, or the validity of the Notes or any of the proceedings had in relation to the issuance or sale thereof, or the levying and collection of taxes to pay the principal and interest thereof.

## FINANCIAL ADVISOR

Ranson Financial Consultants, L.L.C. serves as financial advisor (the "Financial Advisor") to the City of Anthony, Kansas. The Financial Advisor has participated in the preparation of this Official Statement, but has not verified all of the factual information contained herein, nor has it conducted a detailed investigation of the affairs of the City for the purpose of passing upon the accuracy or completeness of this Official Statement. The Financial Advisor's fee is contingent upon the actual issuance and delivery of the Notes.

## UNDERWRITING

On November 7, 2011, the City received five bids for the purchase of the Notes. The Notes were awarded by the City to the account of UMB Bank, N.A., Kansas City, Missouri (the "Underwriter"). The Initial Purchaser submitted the lowest bid for the purchase of the Notes with a net effective interest rate of 0.9016%.

The Notes will be offered to the public initially at the prices determined to produce the yield to maturity set forth on the inside cover page of this Official Statement. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices other than the price stated on the inside cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

## LEGAL MATTERS

### Approval of Bonds

All matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the City and its certified public accountants, as referred to herein. Bond Counsel expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned "DESCRIPTION OF THE BONDS," "LEGAL MATTERS," "TAX MATTERS" and "APPENDIX B-SUMMARY OF FINANCING DOCUMENTS." Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Bonds. Certain legal matters have been passed on for the Issuer by Laurel McClellan, Esq., City Attorney.

## TAX MATTERS

### General

The following is a summary of the material federal and State income tax consequences of holding and disposing of the Notes. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Notes as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Notes in the secondary market at a premium or a discount. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Notes.

### Opinion of Bond Counsel

In the opinion of Bond Counsel, under the law existing as of the issue date of the Notes:

**Federal Tax Exemption.** The interest on the Notes is excluded from gross income for federal income tax purposes.

**Alternative Minimum Tax.** Interest on the Notes is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

**Bank Qualification.** The Notes are "qualified tax-exempt obligations" for purposes of Code § 265(b)(3), and, in the case of certain financial institutions (within the meaning of Code § 265(b)(5)), a deduction is allowed for 80% of that portion of such financial institutions' interest expense allocable to interest on the Notes.

**Kansas Tax Exemption.** The interest on the Notes is exempt from income taxation by the State.

**No Other Opinions.** Bond Counsel's opinions are provided as of the date of the original issue of the Notes, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Notes.

### Other Tax Consequences

**Sale, Exchange or Retirement of Notes.** Upon the sale, exchange or retirement (including redemption) of a Note, an owner of the Note generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Note (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Note. To the extent the Notes are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Note has been held for more than 12 months at the time of sale, exchange or retirement.

**Reporting Requirements.** In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Notes, and to the proceeds paid on the sale of Notes, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

**Collateral Federal Income Tax Consequences.** Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Notes. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Notes should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Notes, including the possible application of state, local, foreign and other tax laws.

### **MISCELLANEOUS**

The references herein to the Resolution and other documents referred to in this Official Statement are brief summaries of certain provisions thereof and do not purport to be complete. For full and complete statements of such provisions, reference is made to such documents.

The agreement of the Issuer with the Owners of the Notes is fully set forth in the Resolution, and neither any advertisement of the Notes nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Notes. So far as any statements are made in this Official Statement involving matters of opinion, estimates, projections or forecasts, whether or not expressly stated as such, they are not to be construed as representations of fact. Copies of the documents mentioned under this caption are on file at the offices of the Underwriter and, following delivery of the Notes, will be on file with the Issuer.

The Appendices attached hereto is an integral part of this Official Statement and must be read together with all of the statements.

### **AUTHORIZATION OF OFFICIAL STATEMENT**

The preparation of this Official Statement and its distribution has been authorized by the governing body of the Issuer as of the date on the cover page hereof. This Official Statement is submitted in connection with the issuance of the Notes and may not be reproduced or used as a whole or in part for any other purpose. This Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Notes.

CITY OF ANTHONY, KANSAS

By: \_\_\_\_\_  
Larry Claflin, Mayor

**\$172,000**  
**CITY OF ANTHONY, KANSAS**  
**GENERAL OBLIGATION TEMPORARY NOTES**  
**SERIES 2011**

**APPENDIX A**

**FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED DECEMBER 31, 2010**

**CITY OF ANTHONY, KANSAS**

Financial Statements With Independent Auditors' Report

For the Year Ended December 31, 2010

**CITY OF ANTHONY, KANSAS**  
**Financial Statements With Independent Auditors' Report**  
**For the Year Ended December 31, 2010**

**TABLE OF CONTENTS**

Independent Auditors' Report.....	1
Statement 1 - Summary of Cash Receipts, Expenditures, and Unencumbered Cash .....	3
Statement 2 - Summary of Expenditures – Actual and Budget.....	5
Statement 3 - Statement of Cash Receipts and Expenditures – Actual and Budget Individually Presented by Fund	
<b>Governmental Fund Categories</b>	
<b>General Fund</b>	
3-1 General Fund.....	6
<b>Special Revenue Funds</b>	
3-2 Airport Fund .....	7
3-3 Employee Benefit Fund .....	8
3-4 Employee Insurance Benefit Fund .....	9
3-5 Lake Improvement Fund.....	10
3-6 Library Fund.....	11
3-7 Library Employee Benefits Fund .....	12
3-8 Special Parks and Recreation Fund .....	13
3-9 Special Street and Highway Fund .....	14
3-10 Anthony Transportation Service Fund.....	15
3-11 Industrial Development Fund.....	16
3-12 Recreation Fund .....	17
3-13 Noxious Weed Fund .....	18
3-14 Insurance Proceeds Fund .....	19
3-15 Municipal Equipment Reserve Fund.....	20
3-16 Downtown Revitalization Loan Fund .....	21
3-17 Sales Tax Revenue Bond Sales Tax Fund .....	22
3-18 Sales Tax Revenue Bond Reserve Fund .....	23
3-19 Capital Improvements Fund .....	24
3-20 2007 Home Rehab Grant Fund .....	25
3-21 CDBG Urgent Need Fund.....	26
<b>Debt Service Funds</b>	
3-22 Bond and Interest Fund .....	27
3-23 Sales Tax Revenue Bond Debt Service Fund.....	28
3-24 Series 2001 GO Bond Debt Service Fund .....	29
3-25 Series 2005 GO Bond Cost of Issue Fund .....	30
3-26 Series 2009 GO Bond Project Fund.....	31
<b>Capital Project Funds</b>	
3-27 Capital Projects Fund #1 .....	32
3-28 Series 2001 GO Bond Improvement Fund.....	33
3-29 Series 2008 GO Bond Project Fund.....	34
3-30 Series 2008 Temporary Notes Fund .....	35
3-31 Series 2010 GO Bond Project Fund.....	36
3-32 GO Temporary Note Series 2010 Fund .....	37

**CITY OF ANTHONY, KANSAS**  
 Financial Statements With Independent Auditors' Report  
 For the Year Ended December 31, 2010

**TABLE OF CONTENTS (continued)**

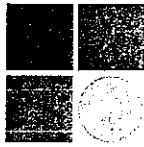
<b>Permanent Fund</b>		
3-33	Wayne Dennis Fund .....	38
<b>Proprietary Fund Category</b>		
<b>Enterprise Funds</b>		
3-34	Electric Utility Fund .....	39
3-35	Sewage Utility Fund .....	40
3-36	Water Utility Fund .....	41
3-37	Electric Debt Service Fund .....	42
3-38	Electric Debt Service Reserve Fund .....	43
3-39	Electric System Depreciation and Replacement Fund .....	44
3-40	Electric System Reserve Fund .....	45
3-41	Electric System Equipment Replacement Fund .....	46
3-42	Sewer System Reserve Fund .....	47
3-43	Sewer Equipment Replacement Fund .....	48
3-44	Wastewater Lagoon Cleaning Fund .....	49
3-45	Water Debt Service Fund .....	50
3-46	Water Reserve Fund .....	51
3-47	Water Equipment Replacement Fund .....	52
3-48	WWTF Loan Fund .....	53
3-49	Series 2005 Electric Bond Debt Service Fund .....	54
3-50	Series 2005 Electric Bond Debt Service Reserve Fund .....	55
3-51	Series 2005 Project Fund .....	56
<b>Fiduciary Fund Category</b>		
<b>Private Purpose Trust Fund</b>		
3-52	Public Relief Fund .....	57
<b>Component Unit Funds</b>		
3-53	Public Library – General Fund .....	58
3-54	Public Library – Special Fund .....	59
3-55	Public Library – State Aid Fund .....	60
3-56	Public Library – SCKLS Fund .....	61
3-57	Public Library – Capital Improvements Fund .....	62
3-58	Public Library – Construction Fund .....	63
3-59	Public Library – Van Fund .....	64
<b>Statement 4</b>		
	Summary of Cash Receipts and Cash Disbursements – Agency Funds .....	65
	Notes to Financial Statement .....	66
<b>Supplementary Information</b>		
	Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards .....	81

**CITY OF ANTHONY, KANSAS**  
Financial Statements With Independent Auditors' Report  
For the Year Ended December 31, 2010

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**TABLE OF CONTENTS (continued)**

Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 .....	83
Schedule of Findings and Questioned Costs .....	85
Summary Schedule of Prior Audit Findings .....	90
Schedule of Expenditures of Federal Awards .....	91
Notes to Schedule of Expenditures of Federal Awards .....	92



Certified  
Public  
Accountants

## INDEPENDENT AUDITORS' REPORT

To the Mayor and City Commission  
**City of Anthony, Kansas**  
Anthony, Kansas

We have audited the accompanying financial statements of **City of Anthony, Kansas**, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of **City of Anthony, Kansas'** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 opinions.

As described more fully in Note 1, **City of Anthony, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, whose practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory 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 effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **City of Anthony, Kansas**, as of December 31, 2010, or the changes in its financial position for the year then ended. Further, **City of Anthony, Kansas** has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **City of Anthony, Kansas**, as of December 31, 2010, and their respective cash receipts and disbursements and budgetary results for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 05, 2011, on our consideration of **City of Anthony, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control

over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **City of Anthony, Kansas'** financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, 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 statements as a whole.

*Adams, Brown, Beran + Ball*  
**ADAMS, BROWN, BERAN AND BALL, CHTD.**  
Certified Public Accountants

July 05, 2011

CITY OF ANTHONY, KANSAS  
Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended December 31, 2010

Funds	Beginning Unencumbered Cash Balance	(See Note 11) Prior Period Adjustments	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Fund Categories</b>								
General Fund	\$ 51,538	-	-	1,393,323	1,404,317	40,544	40,703	81,247
Special Revenue Funds								
Airport Fund	29,398	-	-	778,949	902,400	(94,053)	126,723	32,670
Employee Benefit Fund	14,720	-	-	255,353	183,377	86,696	-	86,696
Employee Insurance Benefit Fund	120,377	-	-	47,505	167,882	-	408	408
Library Fund	323	-	-	50,092	51,100	(686)	143	(542)
Library Employee Benefits Fund	-	-	-	11,530	11,530	-	-	-
Special Parks and Recreation Fund	2,653	-	-	5,685	7,071	1,267	18	1,285
Special Street and Highway Fund	(2,892)	-	-	112,755	8,691	101,172	-	101,172
Anthony Transportation Service Fund	-	-	-	20,674	19,441	1,233	777	2,010
Industrial Development Fund	11,210	-	-	86,701	43,757	54,154	-	54,154
Recreation Fund	18,890	-	-	119,432	119,115	19,207	838	20,045
Insurance Proceeds Fund	122,624	-	-	99,782	222,406	-	-	-
Municipal Equipment Reserve Fund	44,143	-	-	49,021	43,567	49,597	-	49,597
Downtown Revitalization Loan Fund	52,307	-	-	5,631	5,700	52,238	-	52,238
Sales Tax Revenue Bond Sales Tax Fund	61,634	-	-	205,036	266,670	-	-	-
Sales Tax Revenue Bond Reserve Fund	155,000	-	-	623	-	155,623	-	155,623
Capital Improvements Fund	403,435	(7,165)	-	57,489	180,911	272,848	44,490	317,338
2007 Home Rehab Grant Fund	(25,290)	-	-	128,631	103,341	-	-	-
CDBG Urgent Need Fund	-	-	-	600,239	826,879	(226,640)	226,776	136
Debt Service Funds								
Bond and Interest Fund	2,307	-	-	69,075	67,683	3,699	-	3,699
Sales Tax Revenue Bond Debt Service Fund	228,229	-	-	200,217	192,838	235,608	-	235,608
Series 2001 GO Bond Debt Service Fund	236,633	-	-	155,376	144,249	247,760	-	247,760
Series 2009 GO Bond Project Fund	26,388	-	-	25,000	51,388	-	-	-
Capital Project Funds								
Series 2010 GO Bond Project Fund	-	-	-	298,444	275,994	22,450	-	22,450
GO Temporary Note Series 2010 Fund	-	-	-	261,000	240,861	20,139	-	20,139
Permanent Fund								
Wayne Dennis Fund	777,877	7,165	-	18,797	40,175	763,664	-	763,664
Proprietary Fund Category								
Enterprise Funds								
Electric Utility Fund	27,853	-	-	3,809,248	3,836,657	444	167,350	167,794
Sewage Utility Fund	792	-	-	502,901	497,388	6,305	6,697	13,002
Water Utility Fund	31,710	-	-	691,646	714,221	9,135	75,394	84,529
Electric Debt Service Fund	35,507	-	-	285,900	283,258	38,149	-	38,149
Electric Debt Service Reserve Fund	280,500	-	-	-	-	280,500	-	280,500
Electric System Depreciation and Replacement Fund	250,000	-	-	-	-	250,000	-	250,000
Electric System Reserve Fund	575,000	-	-	287,854	225,854	637,000	-	637,000
Electric System Equipment Replacement Fund	24,751	-	-	12,000	35,487	1,264	-	1,264

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

**CITY OF ANTHONY, KANSAS**  
Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended December 31, 2010

Funds	Beginning Unencumbered Cash Balance	(See Note 11) Prior Period Adjustments	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Sewer System Reserve Fund	\$ -	-	-	50,000	-	50,000	-	50,000
Sewer Equipment Replacement Fund	-	-	-	23,976	23,257	719	-	719
Wastewater Lagoon Cleaning Fund	-	-	-	61,800	-	61,800	-	61,800
Water Debt Service Fund	74,682	-	-	119,820	111,825	82,687	-	82,687
Water Reserve Fund	300,000	-	-	-	-	300,000	-	300,000
Water Equipment Replacement Fund	15,261	-	-	17,400	-	32,661	-	32,661
WWTF Loan Fund	36,636	-	-	180,480	147,770	69,346	-	69,346
Series 2005 Electric Bond Debt Service Fund	8,721	-	-	26,705	30,082	5,344	-	5,344
Series 2005 Electric Bond Debt Service Reserve Fund	30,000	-	-	-	-	30,000	-	30,000
Fiduciary Fund Category								
Private Purpose Trust Fund	24,410	-	-	1,558	-	25,968	-	25,968
Public Relief Fund	4,047,337	-	-	11,127,648	11,487,142	3,687,843	690,317	4,378,160
<b>Total Primary Government</b>								
<b>Component Unit Funds</b>								
Public Library - General Fund	21,176	-	-	77,992	73,669	25,499	1,821	27,320
Public Library - Special Fund	4,364	-	-	5,426	7,160	2,630	1,342	3,972
Public Library - State Aid Fund	3	-	-	1,249	1,249	3	-	3
Public Library - SCKLS Fund	5,523	-	-	6,853	3,419	8,957	-	8,957
Public Library - Capital Improvements Fund	20,973	-	-	71	-	21,044	-	21,044
Public Library - Construction Fund	69,846	-	-	30,746	10,676	89,916	-	89,916
Public Library - Van Fund	253,388	-	-	24,152	45,322	232,218	-	232,218
<b>Total Component Unit Funds</b>	<b>375,273</b>	<b>-</b>	<b>-</b>	<b>146,489</b>	<b>141,495</b>	<b>380,267</b>	<b>3,163</b>	<b>383,430</b>
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 4,422,610</b>	<b>-</b>	<b>-</b>	<b>11,274,137</b>	<b>11,628,637</b>	<b>4,068,110</b>	<b>693,480</b>	<b>4,761,590</b>

Composition of Cash

Checking Accounts	\$ 1,073,859
Certificates of Deposit	3,334,724
Cash	200
<b>Total Primary Government</b>	<b>4,408,783</b>
<b>Total Component Unit</b>	<b>383,430</b>
<b>Total Reporting Entity</b>	<b>4,792,213</b>
Agency Funds per Statement 4	(30,623)
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 4,761,590</b>

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

Statement 2

CITY OF ANTHONY, KANSAS  
 Summary of Expenditures -- Actual and Budget  
 For the Year Ended December 31, 2010

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>Governmental Fund Categories</b>					
General Fund	\$ 1,371,425	-	1,371,425	1,404,317	32,892
Special Revenue Funds					
Airport Fund	849,613	-	849,613	902,400	52,787
Employee Benefit Fund	187,200	-	187,200	183,377	(3,823)
Lake Improvement Fund	10,000	-	10,000	-	(10,000)
Library Fund	52,162	-	52,162	51,100	(1,062)
Library Employee Benefits Fund	12,076	-	12,076	11,530	(546)
Special Parks and Recreation Fund	3,202	46	3,248	7,071	3,823
Special Street and Highway Fund	70,464	-	70,464	8,691	(61,773)
Anthony Transportation Service Fund	25,730	-	25,730	19,441	(6,289)
Industrial Development Fund	49,752	-	49,752	43,757	(5,995)
Recreation Fund	116,135	18,170	134,305	119,115	(15,190)
Debt Service Fund					
Bond and Interest Fund	122,079	-	122,079	67,683	(54,396)
Proprietary Fund Category					
Enterprise Funds					
Electric Utility Fund	3,997,143	-	3,997,143	3,836,657	(160,486)
Sewage Utility Fund	411,000	-	411,000	497,388	86,388
Water Utility Fund	722,750	-	722,750	714,221	(8,529)

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

## CITY OF ANTHONY, KANSAS

## General Fund

## Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2010

(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes	\$ 426,196	384,391	413,017	(28,626)
Intergovernmental	17,520	17,532	17,545	(13)
Local Retail Sales Tax	481,528	466,823	501,608	(34,785)
Transient Guest Tax	13,724	14,457	16,000	(1,543)
Fines and Fees	6,451	6,018	6,390	(372)
Charges for Service	19,000	19,000	19,000	-
Interest	19,782	4,397	20,000	(15,603)
Building Rent	2,963	2,513	3,195	(682)
Franchise Fees	143,136	82,254	90,000	(7,746)
Licenses and Permits	5,563	5,922	5,700	222
Miscellaneous	32,821	34,818	113,775	(78,957)
Loan Proceeds	100,000	-	-	-
Transfers In	156,670	355,198	174,777	180,421
<b>Total Cash Receipts</b>	<b>1,425,354</b>	<b>1,393,323</b>	<b>1,381,007</b>	<b>12,316</b>
<b>Expenditures</b>				
General Administration	265,746	303,015	139,800	163,215
Streets	213,759	213,132	632,338	(419,206)
Police	286,711	300,794	301,700	(906)
Taxi	2,199	10,047	10,600	(553)
Fire	48,483	64,031	74,145	(10,114)
Building Demolition	-	101,249	-	101,249
Park	10,853	10,680	13,070	(2,390)
Tree Board	-	3,245	3,000	245
Transfers Out	565,098	398,124	196,772	201,352
<b>Total Expenditures</b>	<b>1,392,849</b>	<b>1,404,317</b>	<b>1,371,425</b>	<b>32,892</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>32,505</b>	<b>(10,994)</b>		
<b>Unencumbered Cash - Beginning</b>	<b>19,033</b>	<b>51,538</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 51,538</b>	<b>40,544</b>		

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

CITY OF ANTHONY, KANSAS  
 Airport Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes	\$ 15,412	15,449	16,104	(655)
Gas Sales	8,948	12,503	16,000	(3,497)
Lease and Rental Income	14,010	12,272	13,585	(1,313)
Airport Improvement Grants	52,777	708,573	764,458	(55,885)
Miscellaneous	295	152	1,148	(996)
Transfers In	-	30,000	30,000	-
<b>Total Cash Receipts</b>	<u>91,442</u>	<u>778,949</u>	<u>841,295</u>	<u>(62,346)</u>
<b>Expenditures</b>				
Personal Services	3,382	3,309	3,832	(523)
Contractual Services	45,897	113,372	108,250	5,122
Commodities	11,729	11,356	18,000	(6,644)
Capital Outlay	6,297	774,363	719,531	54,832
Transfers Out	3,045	-	-	-
<b>Total Expenditures</b>	<u>70,350</u>	<u>902,400</u>	<u>849,613</u>	<u>52,787</u>
<b>Cash Receipts Over (Under) Expenditures</b>	21,092	(123,451)		
<b>Unencumbered Cash - Beginning</b>	<u>8,306</u>	<u>29,398</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>29,398</u>	<u>(94,053)</u>		

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

**CITY OF ANTHONY, KANSAS**  
**Employee Benefit Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes	\$ 110,278	112,828	121,482	(8,654)
Employee Contributions	-	35,843	-	35,843
Interest	-	671	-	671
Miscellaneous	1,624	1,121	-	1,121
Transfers In	-	104,890	106,010	(1,120)
<b>Total Cash Receipts</b>	<u>111,902</u>	<u>255,353</u>	<u>227,492</u>	<u>27,861</u>
<b>Expenditures</b>				
Social Security	31,675	32,005	32,000	5
Health and Life Insurance	65,980	112,094	115,469	(3,375)
Retirement	24,045	29,587	30,000	(413)
Miscellaneous	1,599	1,355	1,331	24
Workers Compensation	9,669	8,336	8,400	(64)
<b>Total Expenditures</b>	<u>132,968</u>	<u>183,377</u>	<u>187,200</u>	<u>(3,823)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(21,066)	71,976		
<b>Unencumbered Cash - Beginning</b>	<u>35,786</u>	<u>14,720</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>14,720</u>	<u>86,696</u>		

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

CITY OF ANTHONY, KANSAS  
 Employee Insurance Benefit Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Employee Contributions	\$ 76,837	46,541
Interest	4,364	964
<b>Total Cash Receipts</b>	<b>81,201</b>	<b>47,505</b>
<b>Expenditures</b>		
Health Insurance	94,927	62,992
Transfers Out	-	104,890
<b>Total Expenditures</b>	<b>94,927</b>	<b>167,882</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>(13,726)</b>	<b>(120,377)</b>
<b>Unencumbered Cash - Beginning</b>	<b>134,103</b>	<b>120,377</b>
<b>Unencumbered Cash - Ending</b>	<b>\$ 120,377</b>	<b>-</b>

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

**CITY OF ANTHONY, KANSAS**  
**Lake Improvement Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts	\$ -	-	-	-
Expenditures	-	-	10,000	(10,000)
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	-		

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

## CITY OF ANTHONY, KANSAS

## Library Fund

Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes	\$ 52,274	50,092	52,162	(2,070)
<b>Expenditures</b>				
Appropriations to Library Board	51,951	51,100	52,162	(1,062)
<b>Cash Receipts Over (Under) Expenditures</b>	323	(1,008)		
<b>Unencumbered Cash - Beginning</b>	-	323		
<b>Unencumbered Cash - Ending</b>	\$ 323	(685)		

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

**CITY OF ANTHONY, KANSAS**  
**Library Employee Benefits Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes	\$ 10,644	11,530	12,076	(546)
<b>Expenditures</b>				
Appropriations to Library Board	10,644	11,530	12,076	(546)
<b>Cash Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash - Beginning</b>	-	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		

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

**CITY OF ANTHONY, KANSAS**  
**Special Parks and Recreation Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
State of Kansas - Liquor Tax	\$ 4,897	5,639	2,202	3,437
Reimbursements	3,995	46	-	46
<b>Total Cash Receipts</b>	<u>8,892</u>	<u>5,685</u>	<u>2,202</u>	<u>3,483</u>
<b>Expenditures</b>				
Personal Services	-	-	1,000	(1,000)
Contractual Services	1,963	7,071	-	7,071
Commodities	-	-	1,202	(1,202)
Capital Outlay	3,995	-	1,000	(1,000)
Transfers Out	1,500	-	-	-
(a) Adjustment for Qualifying Budget Credit	-	-	46	(46)
<b>Total Expenditures</b>	<u>7,458</u>	<u>7,071</u>	<u>3,248</u>	<u>3,823</u>
<b>Cash Receipts Over (Under) Expenditures</b>	1,434	(1,386)		
<b>Unencumbered Cash - Beginning</b>	<u>1,219</u>	<u>2,653</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>2,653</u>	<u>1,267</u>		
<b>(a) Adjustment for Qualifity Budget Credit</b>				
Reimbursements Over Amount Budgeted			\$ 46	

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

**CITY OF ANTHONY, KANSAS**  
**Special Street and Highway Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
State of Kansas Fuel Tax	\$ 55,850	110,754	63,870	46,884
Interest	476	981	-	981
Reimbursements	443	1,020	-	1,020
<b>Total Cash Receipts</b>	<u>56,769</u>	<u>112,755</u>	<u>63,870</u>	<u>48,885</u>
<b>Expenditures</b>				
Personal Services	5,001	6,084	5,000	1,084
Contractual Services	76,703	1,785	5,000	(3,215)
Commodities	19,865	822	21,392	(20,570)
Capital Outlay	2,389	-	-	-
Transfers Out	-	-	39,072	(39,072)
<b>Total Expenditures</b>	<u>103,958</u>	<u>8,691</u>	<u>70,464</u>	<u>(61,773)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(47,189)	104,064		
<b>Unencumbered Cash - Beginning</b>	<u>44,297</u>	<u>(2,892)</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>(2,892)</u>	<u>101,172</u>		

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

CITY OF ANTHONY, KANSAS  
 Anthony Transportation Service Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Memberships and Rides	\$ 4,016	5,450	4,000	1,450
Grants	16,027	14,544	16,500	(1,956)
Reimbursements	387	680	600	80
Miscellaneous	-	-	4,630	(4,630)
Transfers In	3,152	-	-	-
<b>Total Cash Receipts</b>	<b>23,582</b>	<b>20,674</b>	<b>25,730</b>	<b>(5,056)</b>
<b>Expenditures</b>				
Personal Services	17,093	13,144	18,730	(5,586)
Contractual Services	4,005	2,593	3,500	(907)
Commodities	2,935	3,704	3,500	204
<b>Total Expenditures</b>	<b>24,033</b>	<b>19,441</b>	<b>25,730</b>	<b>(6,289)</b>
Cash Receipts Over (Under) Expenditures	(451)	1,233		
Unencumbered Cash - Beginning	451	-		
Unencumbered Cash - Ending	\$ -	1,233		

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

**CITY OF ANTHONY, KANSAS**  
**Industrial Development Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes	\$ 12,166	10,381	10,488	(107)
Rental Income	17,608	24,522	20,705	3,817
Reimbursements	-	1,709	530	1,179
Sale of Land	-	43,200	43,000	200
Miscellaneous	2,014	774	770	4
Transfers In	78,885	6,115	6,110	5
<b>Total Cash Receipts</b>	<u>110,673</u>	<u>86,701</u>	<u>81,603</u>	<u>5,098</u>
<b>Expenditures</b>				
Contractual Services	12,736	8,865	10,602	(1,737)
Commodities	1,069	1,140	4,150	(3,010)
Capital Outlay	96,179	33,752	35,000	(1,248)
<b>Total Expenditures</b>	<u>109,984</u>	<u>43,757</u>	<u>49,752</u>	<u>(5,995)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	689	42,944		
<b>Unencumbered Cash - Beginning</b>	<u>10,521</u>	<u>11,210</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>11,210</u>	<u>54,154</u>		

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

CITY OF ANTHONY, KANSAS  
 Recreation Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes	\$ 36,297	34,205	36,260	(2,055)
Swimming Pool Receipts	18,834	15,409	11,000	4,409
Concession Receipts	13,312	11,038	17,500	(6,462)
Entry Fees	19,253	19,561	18,300	1,261
Donations	2,975	2,030	-	2,030
Reimbursements	607	2,131	7,962	(5,831)
Pool Improvement Charge	16,857	35,058	16,888	18,170
<b>Total Cash Receipts</b>	<u>108,135</u>	<u>119,432</u>	<u>107,910</u>	<u>11,522</u>
<b>Expenditures</b>				
Personal Services	32,962	28,047	39,701	(11,654)
Contractual Services	29,855	32,574	33,778	(1,204)
Commodities	24,005	23,436	26,000	(2,564)
Transfers Out	16,819	35,058	16,656	18,402
(a) Adjustment for Qualifying Budget Credit	-	-	18,170	(18,170)
<b>Total Expenditures</b>	<u>103,641</u>	<u>119,115</u>	<u>134,305</u>	<u>(15,190)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	4,494	317		
<b>Unencumbered Cash - Beginning</b>	<u>14,396</u>	<u>18,890</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>18,890</u>	<u>19,207</u>		
<b>(a) Adjustment for Qualifying Budget Credit</b>				
Pool Improvement Charge Over Amount Budgeted			\$ 18,170	

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

CITY OF ANTHONY, KANSAS  
 Noxious Weed Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts	\$ -	-	-	-
Expenditures				
Transfers Out	14,548	-	-	-
Cash Receipts Over (Under) Expenditures	(14,548)	-		
Unencumbered Cash - Beginning	14,548	-		
Unencumbered Cash - Ending	\$ -	-		

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

**CITY OF ANTHONY, KANSAS**  
**Insurance Proceeds Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Insurance Proceeds	\$ 122,553	99,390
Interest	71	392
<b>Total Cash Receipts</b>	<b>122,624</b>	<b>99,782</b>
<b>Expenditures</b>		
Reimbursements	-	222,406
<b>Cash Receipts Over (Under) Expenditures</b>	<b>122,624</b>	<b>(122,624)</b>
<b>Unencumbered Cash - Beginning</b>	<b>-</b>	<b>122,624</b>
<b>Unencumbered Cash - Ending</b>	<b>\$ 122,624</b>	<b>-</b>

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

CITY OF ANTHONY, KANSAS  
Municipal Equipment Reserve Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Loan Proceeds	\$ -	22,442
Miscellaneous	2,501	6,600
Transfers In	41,849	19,979
<b>Total Cash Receipts</b>	<u>44,350</u>	<u>49,021</u>
<b>Expenditures</b>		
Commodities	40,563	3,908
Capital Outlay	-	39,659
Transfers Out	5,929	-
<b>Total Expenditures</b>	<u>46,492</u>	<u>43,567</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(2,142)	5,454
<b>Unencumbered Cash - Beginning</b>	<u>46,285</u>	<u>44,143</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 44,143</u>	<u>49,597</u>

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

CITY OF ANTHONY, KANSAS  
Downtown Revitalization Loan Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Repayments	\$ 3,644	5,631
<b>Expenditures</b>		
Community Projects	6,621	5,700
<b>Cash Receipts Over (Under) Expenditures</b>	(2,977)	(69)
<b>Unencumbered Cash - Beginning</b>	55,284	52,307
<b>Unencumbered Cash - Ending</b>	\$ 52,307	52,238

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

**CITY OF ANTHONY, KANSAS**  
**Sales Tax Revenue Bond Sales Tax Fund**  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers in	\$ 322,019	205,036
Expenditures		
Transfers Out	321,281	266,670
Cash Receipts Over (Under) Expenditures	738	(61,634)
Unencumbered Cash - Beginning	60,896	61,634
Unencumbered Cash - Ending	\$ 61,634	-

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

CITY OF ANTHONY, KANSAS  
 Sales Tax Revenue Bond Reserve Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ -	623
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	623
Unencumbered Cash - Beginning	155,000	155,000
Unencumbered Cash - Ending	\$ 155,000	155,623

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

CITY OF ANTHONY, KANSAS  
 Capital Improvements Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
State Grants	\$ 25,824	5,000
Insurance Match	111,795	-
Loan Proceeds	85,000	12,353
Transfers In	225,144	40,136
<b>Total Cash Receipts</b>	<u>447,763</u>	<u>57,489</u>
<b>Expenditures</b>		
Capital Outlay	185,170	144,796
Transfers Out	78,885	36,115
<b>Total Expenditures</b>	<u>264,055</u>	<u>180,911</u>
<b>Cash Receipts Over (Under) Expenditures</b>	<u>183,708</u>	<u>(123,422)</u>
<b>Unencumbered Cash - Beginning As Previously Stated</b>	219,727	396,270
<b>Prior Period Adjustment</b>	<u>(7,165)</u>	<u>-</u>
<b>Unencumbered Cash - Beginning As Restated</b>	<u>212,562</u>	<u>396,270</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 396,270</u>	<u>272,848</u>

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

CITY OF ANTHONY, KANSAS  
 2007 Home Rehab Grant Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
<b>Cash Receipts</b>		
State Grants	\$ 27,241	128,631
<b>Expenditures</b>		
Administration	<u>52,531</u>	<u>103,341</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(25,290)	25,290
<b>Unencumbered Cash - Beginning</b>	<u>-</u>	<u>(25,290)</u>
<b>Unencumbered Cash - Ending</b>	\$ <u><u>(25,290)</u></u>	<u><u>-</u></u>

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

CITY OF ANTHONY, KANSAS  
 CDBG Urgent Need Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Downtown Demolition	\$ -	268,980
Wellness Center	-	331,259
<b>Total Cash Receipts</b>	<u>-</u>	<u>600,239</u>
<b>Expenditures</b>		
Downtown Demolition	-	268,847
Wellness Center	-	558,032
<b>Total Expenditures</b>	<u>-</u>	<u>826,879</u>
<b>Cash Receipts Over (Under) Expenditures</b>	-	(226,640)
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ <u>-</u>	<u>(226,640)</u>

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

CITY OF ANTHONY, KANSAS  
 Bond and Interest Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes	\$ 43,196	69,075	121,759	(52,684)
<b>Expenditures</b>				
Principal	20,000	50,977	75,000	(24,023)
Interest	22,825	16,705	44,071	(27,366)
Commissions and Postage	1	1	8	(7)
Cash Basis Reserve	-	-	3,000	(3,000)
<b>Total Expenditures</b>	<u>42,826</u>	<u>67,683</u>	<u>122,079</u>	<u>(54,396)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	370	1,392		
<b>Unencumbered Cash - Beginning</b>	<u>1,937</u>	<u>2,307</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>2,307</u>	<u>3,699</u>		

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

CITY OF ANTHONY, KANSAS  
Sales Tax Revenue Bond Debt Service Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Interest	\$ 9,133	6,957
Transfers In	193,250	193,260
<b>Total Cash Receipts</b>	<u>202,383</u>	<u>200,217</u>
<b>Expenditures</b>		
Principal	170,000	180,000
Interest	20,800	12,835
Postage and Commission	4	3
<b>Total Expenditures</b>	<u>190,804</u>	<u>192,838</u>
<b>Cash Receipts Over (Under) Expenditures</b>	11,579	7,379
<b>Unencumbered Cash - Beginning</b>	<u>216,650</u>	<u>228,229</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 228,229</u>	<u>235,608</u>

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

CITY OF ANTHONY, KANSAS  
 Series 2001 GO Bond Debt Service Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Transfers In	\$ 155,414	155,376
<b>Expenditures</b>		
Principal	135,000	135,000
Interest	14,984	9,246
Commission and Postage	3	3
<b>Total Expenditures</b>	<u>149,987</u>	<u>144,249</u>
<b>Cash Receipts Over (Under) Expenditures</b>	5,427	11,127
<b>Unencumbered Cash - Beginning</b>	<u>231,206</u>	<u>236,633</u>
<b>Unencumbered Cash - Ending</b>	\$ <u><u>236,633</u></u>	<u><u>247,760</u></u>

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

CITY OF ANTHONY, KANSAS  
 Series 2005 GO Bond Cost of Issue Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts	\$ -	-
Expenditures		
Transfers Out	1,068	-
Cash Receipts Over (Under) Expenditures	(1,068)	-
Unencumbered Cash - Beginning	1,068	-
Unencumbered Cash - Ending	\$ -	-

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

CITY OF ANTHONY, KANSAS  
 Series 2009 GO Bond Project Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Bond Proceeds	\$ 347,900	-
Good Faith Deposit	7,420	-
Reimbursement	20,000	25,000
Transfers In	42,921	-
<b>Total Cash Receipts</b>	<u>418,241</u>	<u>25,000</u>
<b>Expenditures</b>		
Principal	371,000	24,023
Interest	5,937	27,365
Cost of Issuance	13,670	-
Miscellaneous	21	-
Transfers Out	8,325	-
<b>Total Expenditures</b>	<u>398,953</u>	<u>51,388</u>
<b>Cash Receipts Over (Under) Expenditures</b>	19,288	(26,388)
<b>Unencumbered Cash - Beginning</b>	<u>7,100</u>	<u>26,388</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 26,388</u>	<u>-</u>

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

CITY OF ANTHONY, KANSAS  
 Capital Projects Fund #1  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures		
Transfers Out	306	-
Cash Receipts Over (Under) Expenditures	(306)	-
Unencumbered Cash - Beginning	306	-
Unencumbered Cash - Ending	\$ -	-

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

CITY OF ANTHONY, KANSAS  
 Series 2001 GO Bond Improvement Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures		
Transfers Out	37	-
Cash Receipts Over (Under) Expenditures	(37)	-
Unencumbered Cash - Beginning	37	-
Unencumbered Cash - Ending	\$ -	-

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

CITY OF ANTHONY, KANSAS  
 Series 2008 GO Bond Project Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures		
Miscellaneous	590	-
Cash Receipts Over (Under) Expenditures	(590)	-
Unencumbered Cash - Beginning	590	-
Unencumbered Cash - Ending	\$ -	-

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

CITY OF ANTHONY, KANSAS  
 Series 2008 Temporary Notes Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Temporary Notes	\$ -	-
Transfers In	8,325	-
<b>Total Cash Receipts</b>	<u>8,325</u>	<u>-</u>
<b>Expenditures</b>		
Capital Outlays	8,650	-
Cost of Issuance	-	-
Miscellaneous	7,420	-
Transfers Out	42,331	-
<b>Total Expenditures</b>	<u>58,401</u>	<u>-</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(50,076)	-
<b>Unencumbered Cash - Beginning</b>	<u>50,076</u>	<u>-</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ -</u>	<u>-</u>

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

**CITY OF ANTHONY, KANSAS**  
**Series 2010 GO Bond Project Fund**  
**Statement of Cash Receipts and Expenditures - Actual**  
**For the Year Ended December 31, 2010**  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Temporary Notes	\$ -	280,000
Transfers In	-	18,444
<b>Total Cash Receipts</b>	<u>-</u>	<u>298,444</u>
<b>Expenditures</b>		
Capital Outlays	-	262,306
Cost of Issuance	-	13,688
<b>Total Expenditures</b>	<u>-</u>	<u>275,994</u>
<b>Cash Receipts Over (Under) Expenditures</b>	-	22,450
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ <u>-</u>	<u>22,450</u>

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

CITY OF ANTHONY, KANSAS  
 GO Temporary Note Series 2010 Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Temporary Note Proceeds	\$ -	261,000
<b>Expenditures</b>		
Cost of Issuance	-	9,316
Capital Project	-	231,545
<b>Total Expenditures</b>	-	240,861
<b>Cash Receipts Over (Under) Expenditures</b>	-	20,139
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	20,139

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

CITY OF ANTHONY, KANSAS  
Wayne Dennis Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Interest	\$ 46,090	18,797
Miscellaneous	5,829	-
<b>Total Cash Receipts</b>	<u>51,919</u>	<u>18,797</u>
<b>Expenditures</b>		
Community Projects	<u>104,394</u>	<u>40,175</u>
<b>Cash Receipts Over (Under) Expenditures</b>	<u>(52,475)</u>	<u>(21,378)</u>
<b>Unencumbered Cash - Beginning As Previously Stated</b>	830,352	785,042
<b>Prior Period Adjustment</b>	<u>7,165</u>	<u>-</u>
<b>Unencumbered Cash - Beginning As Restated</b>	<u>837,517</u>	<u>785,042</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 785,042</u>	<u>763,664</u>

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

CITY OF ANTHONY, KANSAS  
 Electric Utility Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Metered Electric Sales	\$ 3,246,564	3,449,912	3,600,000	(150,088)
Penalties	35,640	36,015	-	36,015
Reimbursements	27,220	47,138	150,000	(102,862)
Payment on Lease-Purchase	20,855	19,180	-	19,180
Miscellaneous	5,828	5	10,000	(9,995)
Capital Credit	27,185	-	-	-
Interest	36,146	26,406	40,000	(13,594)
Connect and Nonpayment Fees	5,214	4,738	-	4,738
Transfers In	50,000	225,854	116,942	108,912
<b>Total Cash Receipts</b>	<b>3,454,652</b>	<b>3,809,248</b>	<b>3,916,942</b>	<b>(107,694)</b>
<b>Expenditures</b>				
Administration	109,517	115,801	151,000	(35,199)
Production	1,855,863	2,084,678	2,600,000	(515,322)
Distribution	428,241	667,101	600,000	67,101
Capital Outlay	41,608	117,938	100,000	17,938
Transfers Out	1,026,471	851,139	546,143	304,996
<b>Total Expenditures</b>	<b>3,461,700</b>	<b>3,836,657</b>	<b>3,997,143</b>	<b>(160,486)</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>(7,048)</b>	<b>(27,409)</b>		
<b>Unencumbered Cash - Beginning</b>	<b>34,901</b>	<b>27,853</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 27,853</b>	<b>444</b>		

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

CITY OF ANTHONY, KANSAS  
Sewage Utility Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Service Charge	\$ 303,840	318,691	309,000	9,691
Penalties	3,932	4,517	4,200	317
KDHE Loan Proceeds	76,562	154,726	154,725	1
Reimbursements	9,267	1,213	1,700	(487)
Miscellaneous	443	-	118,975	(118,975)
Interest	1,709	754	1,600	(846)
Transfers In	153,401	23,000	-	23,000
<b>Total Cash Receipts</b>	<u>549,154</u>	<u>502,901</u>	<u>590,200</u>	<u>(87,299)</u>
<b>Expenditures</b>				
Administration	33,933	33,173	51,174	(18,001)
Treatment	367,566	137,607	144,680	(7,073)
Capital Outlay	95	1,556	-	1,556
Transfers Out	148,375	325,052	215,146	109,906
<b>Total Expenditures</b>	<u>549,969</u>	<u>497,388</u>	<u>411,000</u>	<u>86,388</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(815)	5,513		
<b>Unencumbered Cash - Beginning</b>	<u>1,607</u>	<u>792</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>792</u>	<u>6,305</u>		

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

CITY OF ANTHONY, KANSAS  
 Water Utility Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Metered Water Sales	\$ 564,124	596,609	608,945	(12,336)
Licenses and Fees	15,090	14,286	12,000	2,286
Lake Leases	17,051	18,700	22,000	(3,300)
Bulk Water Sales-Resale	305	421	-	421
Penalties	6,846	7,287	-	7,287
Reimbursements	6,291	16,080	11,000	5,080
Miscellaneous	1,334	-	12,000	(12,000)
Interest	9,189	7,060	7,000	60
Lake Maintenance and Improvement	12,841	23,000	22,960	40
Payment on Lease-Purchase	1,170	1,274	1,270	4
Community Lake Assistance	4,790	4,790	4,780	10
Connect and Nonpayment Fees	2,272	2,139	-	2,139
<b>Total Cash Receipts</b>	<b>641,303</b>	<b>691,646</b>	<b>701,955</b>	<b>(10,309)</b>
<b>Expenditures</b>				
Administration	89,117	208,059	153,477	54,582
Production	36,344	45,879	51,400	(5,521)
Distribution	177,996	187,967	214,180	(26,213)
Capital Outlay	2,505	3,190	-	3,190
Lake Maintenance	74,682	76,908	85,560	(8,652)
Lease/Purchase	14,408	15,250	16,000	(750)
Transfers Out	220,186	176,968	202,133	(25,165)
<b>Total Expenditures</b>	<b>615,238</b>	<b>714,221</b>	<b>722,750</b>	<b>(8,529)</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>26,065</b>	<b>(22,575)</b>		
<b>Unencumbered Cash - Beginning</b>	<b>5,645</b>	<b>31,710</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 31,710</b>	<b>9,135</b>		

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

**CITY OF ANTHONY, KANSAS**  
**Water Utility Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Metered Water Sales	\$ 564,124	596,609	608,945	(12,336)
Licenses and Fees	15,090	14,286	12,000	2,286
Lake Leases	17,051	18,700	22,000	(3,300)
Bulk Water Sales-Resale	305	421	-	421
Penalties	6,846	7,287	-	7,287
Reimbursements	6,291	16,080	11,000	5,080
Miscellaneous	1,334	-	12,000	(12,000)
Interest	9,189	7,060	7,000	60
Lake Maintenance and Improvement	12,841	23,000	22,960	40
Payment on Lease-Purchase	1,170	1,274	1,270	4
Community Lake Assistance	4,790	4,790	4,780	10
Connect and Nonpayment Fees	2,272	2,139	-	2,139
<b>Total Cash Receipts</b>	<b>641,303</b>	<b>691,646</b>	<b>701,955</b>	<b>(10,309)</b>
<b>Expenditures</b>				
Administration	89,117	208,059	153,477	54,582
Production	36,344	45,879	51,400	(5,521)
Distribution	177,996	187,967	214,180	(26,213)
Capital Outlay	2,505	3,190	-	3,190
Lake Maintenance	74,682	76,908	85,560	(8,652)
Lease/Purchase	14,408	15,250	16,000	(750)
Transfers Out	220,186	176,968	202,133	(25,165)
<b>Total Expenditures</b>	<b>615,238</b>	<b>714,221</b>	<b>722,750</b>	<b>(8,529)</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>26,065</b>	<b>(22,575)</b>		
<b>Unencumbered Cash - Beginning</b>	<b>5,645</b>	<b>31,710</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 31,710</b>	<b>9,135</b>		

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

CITY OF ANTHONY, KANSAS  
 Electric Debt Service Fund  
 Statement of Cash Receipts and Expenditures - Actual.  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Transfers In	\$ 285,900	285,900
<b>Expenditures</b>		
Principal	215,000	215,000
Interest	76,279	68,258
<b>Total Expenditures</b>	<b>291,279</b>	<b>283,258</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>(5,379)</b>	<b>2,642</b>
<b>Unencumbered Cash - Beginning</b>	<b>40,886</b>	<b>35,507</b>
<b>Unencumbered Cash - Ending</b>	<b>\$ 35,507</b>	<b>38,149</b>

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

CITY OF ANTHONY, KANSAS  
Electric Debt Service Reserve Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	<u>280,500</u>	<u>280,500</u>
Unencumbered Cash - Ending	<u>\$ 280,500</u>	<u>280,500</u>

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

CITY OF ANTHONY, KANSAS  
Electric System Depreciation and Replacement Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	<u>250,000</u>	<u>250,000</u>
Unencumbered Cash - Ending	\$ <u><u>250,000</u></u>	<u><u>250,000</u></u>

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

CITY OF ANTHONY, KANSAS  
 Electric System Reserve Fund  
 Statement of Cash Receipts and Expenditures - Actual.  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 575,000	287,854
Expenditures		
Transfers Out	50,000	225,854
Cash Receipts Over (Under) Expenditures	525,000	62,000
Unencumbered Cash - Beginning	50,000	575,000
Unencumbered Cash - Ending	\$ 575,000	637,000

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

CITY OF ANTHONY, KANSAS  
 Electric System Equipment Replacement Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 12,000	12,000
Expenditures		
Capital Outlay	-	35,487
Cash Receipts Over (Under) Expenditures	12,000	(23,487)
Unencumbered Cash - Beginning	12,751	24,751
Unencumbered Cash - Ending	\$ 24,751	1,264

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

CITY OF ANTHONY, KANSAS  
 Sewer System Reserve Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Loan Proceeds	\$ 48,000	-
Transfers In	-	50,000
Total Cash Receipts	48,000	50,000
Expenditures		
Transfers Out	50,000	-
Cash Receipts Over (Under) Expenditures	(2,000)	50,000
Unencumbered Cash - Beginning	2,000	-
Unencumbered Cash - Ending	\$ -	50,000

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

CITY OF ANTHONY, KANSAS  
 Sewer Equipment Replacement Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Transfers In	\$ 12,000	23,976
Reimbursements	34,425	-
<b>Total Cash Receipts</b>	<u>46,425</u>	<u>23,976</u>
<b>Expenditures</b>		
Capital Outlay	7,545	257
Transfers Out	46,401	23,000
<b>Total Expenditures</b>	<u>53,946</u>	<u>23,257</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(7,521)	719
<b>Unencumbered Cash - Beginning</b>	<u>7,521</u>	<u>-</u>
<b>Unencumbered Cash - Ending</b>	\$ <u>-</u>	<u>719</u>

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

CITY OF ANTHONY, KANSAS  
Wastewater Lagoon Cleaning Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 4,800	61,800
Expenditures		
Transfers Out	57,000	-
Cash Receipts Over (Under) Expenditures	(52,200)	61,800
Unencumbered Cash - Beginning	52,200	-
Unencumbered Cash - Ending	\$ -	61,800

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

CITY OF ANTHONY, KANSAS  
 Water Debt Service Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Transfers In	\$ 119,820	119,820
<b>Expenditures</b>		
Principal	105,000	105,000
Interest	10,080	6,825
<b>Total Expenditures</b>	<u>115,080</u>	<u>111,825</u>
<b>Cash Receipts Over (Under) Expenditures</b>	4,740	7,995
<b>Unencumbered Cash - Beginning</b>	<u>69,952</u>	<u>74,692</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 74,692</u>	<u>82,687</u>

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

CITY OF ANTHONY, KANSAS  
 Water Reserve Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 50,000	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	50,000	-
Unencumbered Cash - Beginning	250,000	300,000
Unencumbered Cash - Ending	\$ 300,000	300,000

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

CITY OF ANTHONY, KANSAS  
 Water Equipment Replacement Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Transfers In	\$ 17,400	17,400
<b>Expenditures</b>		
Capital Outlay	8,847	-
<b>Cash Receipts Over (Under) Expenditures</b>	8,553	17,400
<b>Unencumbered Cash - Beginning</b>	6,708	15,261
<b>Unencumbered Cash - Ending</b>	\$ 15,261	32,661

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

CITY OF ANTHONY, KANSAS  
 WWTF Loan Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 122,826	180,480
Expenditures		
Principal	87,617	95,936
Interest	49,346	51,834
Total Expenditures	136,963	147,770
Cash Receipts Over (Under) Expenditures	(14,137)	32,710
Unencumbered Cash - Beginning	50,773	36,636
Unencumbered Cash - Ending	\$ 36,636	69,346

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

CITY OF ANTHONY, KANSAS  
 Series 2005 Electric Bond Debt Service Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Interest	\$ 746	353
Transfers In	27,893	26,352
<b>Total Cash Receipts</b>	<u>28,639</u>	<u>26,705</u>
<b>Expenditures</b>		
Principal	15,000	20,000
Interest	10,600	10,082
<b>Total Expenditures</b>	<u>25,600</u>	<u>30,082</u>
<b>Cash Receipts Over (Under) Expenditures</b>	3,039	(3,377)
<b>Unencumbered Cash - Beginning</b>	<u>5,682</u>	<u>8,721</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 8,721</u>	<u>5,344</u>

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

CITY OF ANTHONY, KANSAS  
 Series 2005 Electric Bond Debt Service Reserve Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	30,000	30,000
Unencumbered Cash - Ending	\$ 30,000	30,000

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

CITY OF ANTHONY, KANSAS  
 Series 2005 Project Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 473	-
Expenditures		
Transfer Out	473	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

CITY OF ANTHONY, KANSAS  
Public Relief Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Miscellaneous	\$ 645	1,558
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	645	1,558
Unencumbered Cash - Beginning	23,765	24,410
Unencumbered Cash - Ending	\$ 24,410	25,968

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

CITY OF ANTHONY, KANSAS  
Public Library - General Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Appropriations from City	\$ 62,595	62,486
Interest	273	184
Miscellaneous	23	-
Transfers In	10,497	15,322
<b>Total Cash Receipts</b>	<u>73,388</u>	<u>77,992</u>
<b>Expenditures</b>		
Salaries and Wages	45,159	46,746
Payroll Taxes	3,498	4,661
Health Insurance and KPERS	7,106	5,062
Advertising	-	304
Books	2,491	-
Supplies	1,199	859
Utilities	9,113	9,837
Repairs and Maintenance	3,376	3,317
Insurance	-	2,883
Financial Services	449	-
Travel	2,653	-
Miscellaneous	239	-
<b>Total Expenditures</b>	<u>75,283</u>	<u>73,669</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(1,895)	4,323
<b>Unencumbered Cash - Beginning</b>	<u>23,071</u>	<u>21,176</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 21,176</u>	<u>25,499</u>

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

CITY OF ANTHONY, KANSAS  
Public Library - Special Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended December 31, 2010  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Fines and Copies	\$ 3,085	2,454
Interest	17	11
Donations	615	1,911
Book Sales	712	855
Miscellaneous	78	195
<b>Total Cash Receipts</b>	<u>4,507</u>	<u>5,426</u>
<b>Expenditures</b>		
Supplies	1,208	1,721
Postage	2,190	1,410
Programs	392	658
Books	-	1,658
Employee Appreciation	-	450
Dues and Memberships	-	360
Repairs and Maintenance	-	479
Travel	226	137
Miscellaneous	586	287
<b>Total Expenditures</b>	<u>4,602</u>	<u>7,160</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(95)	(1,734)
<b>Unencumbered Cash - Beginning</b>	<u>4,459</u>	<u>4,364</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 4,364</u>	<u>2,630</u>

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

CITY OF ANTHONY, KANSAS  
 Public Library - State Aid Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
State Aid	\$ 1,363	1,249
Expenditures		
Books	1,363	1,249
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	3	3
Unencumbered Cash - Ending	\$ 3	3

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

CITY OF ANTHONY, KANSAS  
 Public Library - SCKLS Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Grant	\$ 9,143	6,853
<b>Expenditures</b>		
Books	7,162	2,678
Periodicals	766	260
Audio Visual Aids	956	-
Supplies	294	479
Capital Outlay	339	-
Miscellaneous	164	2
<b>Total Expenditures</b>	9,681	3,419
<b>Cash Receipts Over (Under) Expenditures</b>	(538)	3,434
<b>Unencumbered Cash - Beginning</b>	6,061	5,523
<b>Unencumbered Cash - Ending</b>	\$ 5,523	8,957

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

CITY OF ANTHONY, KANSAS  
 Public Library - Capital Improvements Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ 98	71
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	98	71
Unencumbered Cash - Beginning	20,875	20,973
Unencumbered Cash - Ending	\$ 20,973	21,044

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

CITY OF ANTHONY, KANSAS  
 Public Library - Construction Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Interest	\$ 1,322	746
Donations	500	-
Transfers In	10,000	30,000
<b>Total Cash Receipts</b>	<u>11,822</u>	<u>30,746</u>
<b>Expenditures</b>		
Books	8,320	5,817
Periodicals	1,975	2,258
Audio Visual Aids	267	989
Supplies	577	668
Advertising	-	340
Repairs and Maintenance	399	-
Capital Outlay	18,344	300
Miscellaneous	395	304
<b>Total Expenditures</b>	<u>30,277</u>	<u>10,676</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(18,455)	20,070
<b>Unencumbered Cash - Beginning</b>	<u>88,301</u>	<u>69,846</u>
<b>Unencumbered Cash - Ending</b>	\$ <u><u>69,846</u></u>	<u><u>89,916</u></u>

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

CITY OF ANTHONY, KANSAS  
 Public Library - Van Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 For the Year Ended December 31, 2010  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2009)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Interest	\$ 10,222	9,678
Market Gain (Loss)	11,306	14,474
<b>Total Cash Receipts</b>	<b>21,528</b>	<b>24,152</b>
<b>Expenditures</b>		
Transfers Out	20,497	45,322
<b>Cash Receipts Over (Under) Expenditures</b>	<b>1,031</b>	<b>(21,170)</b>
<b>Unencumbered Cash - Beginning</b>	<b>252,357</b>	<b>253,388</b>
<b>Unencumbered Cash - Ending</b>	<b>\$ 253,388</b>	<b>232,218</b>

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

CITY OF ANTHONY, KANSAS  
 Agency Funds  
 Summary of Cash Receipts and Cash Disbursements  
 For the Year Ended December 31, 2010

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Enterprise Facilitation Project	\$ 25	-	-	25
Sales Tax	6,298	90,538	89,711	7,125
Service Deposits	23,780	6,225	6,532	23,473
<b>Total</b>	<b>\$ 30,103</b>	<b>96,763</b>	<b>96,243</b>	<b>30,623</b>

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

**CITY OF ANTHONY, KANSAS**  
Notes to the Financial Statements  
December 31, 2010

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**City of Anthony, Kansas** has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are 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.

**Reporting Entity**

The City is a municipal corporation governed by five elected commissioners. One of these commissioners is then elected mayor by the five commissioners. These financial statements present the City (primary government) and its component unit. The component unit is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

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

**Public Library**

The City operates the public library. Acquisition or disposition of real property by the Library must be approved by the City. Bond issuances must also be approved by the City. The City substantially funds the library's operations by levying tax dollars. Complete financial records for the Public Library may be reviewed at the administrative offices at 624 E. Main, Anthony, Kansas 67003.

**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.

**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 are maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the City for the year ended December 31, 2010.

**Governmental Fund Categories**

**General Fund** - To account for all financial resources except those required to be accounted for in another fund.

**CITY OF ANTHONY, KANSAS**  
Notes to the Financial Statements  
December 31, 2010

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Special Revenue Funds** – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

**Debt Service Funds** – to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Capital Project Funds** – to account for financial resources to be used for the acquisition or construction of capital facilities.

**Permanent Fund** – to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for the purposes that support the City's programs – that is, for the benefit of the City or its citizenry.

**Proprietary Fund Category**

**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 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.

**Fiduciary Fund Categories**

**Private Purpose Trust Fund** - to account for assets held by the City as trustee or agent for others. The principal and income of these funds may be expended in the course of the fund's designated operations.

**Agency Funds** - to account for assets held by the City as trustee or agent for others.

**Statutory Basis of Accounting**

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

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

**CITY OF ANTHONY, KANSAS**  
Notes to the Financial Statements  
December 31, 2010

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**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 sequence and timetable in the adoption of the legal annual operating budget.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There were budget amendments for this year for the General Fund, Airport Fund, Employee Benefit Fund, Industrial Development Fund, Recreation Fund, Sewage Utility Fund, and Water 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 statements 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 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.

**CITY OF ANTHONY, KANSAS**  
Notes to the Financial Statements  
December 31, 2010

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, and the following special revenue funds:

Employee Insurance Benefit Fund	Sales Tax Revenue Bond Sales Tax Fund
Capital Improvements Fund	Sales Tax Revenue Bond Reserve Fund
Municipal Equipment Reserve Fund	Insurance Proceeds Fund
Downtown Revitalization Loan Fund	2007 Home Rehab Grant Fund
CDBG Urgent Need 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.

**Deposits and Investments**

The City 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 of cash 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 investments 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. The Library's allocation of investments at December 31, 2010 is as follows:

Investments	Percentage of Investments
Vanguard Prime Money Market Fund	1%
Vanguard Inter-Term Bond Index	80%
Vanguard Total Stock Market Index	19%

CITY OF ANTHONY, KANSAS  
Notes to the Financial Statements  
December 31, 2010

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 did not use "peak periods" during 2010. All deposits were legally secured at December 31, 2010.

At December 31, 2010 the carrying amount of the City's deposits was \$4,408,583 and the bank balance was \$4,423,134. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$2,311,866 was covered by federal depository insurance and \$2,111,268 was collateralized with securities held by the pledging financial institutions' agent in the City's name. In addition, the City had cash on hand of \$200.

At December 31, 2010 the carrying amount of the Library's deposits was \$151,211 and the bank balance was \$152,410. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$152,410 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 at December 31, 2010.

As of December 31, 2010, the Public Library, a component unit of the City, had the following investments:

Investment Type	Fair Value	Maturity	Rating
Vanguard Prime Money Market Fund	\$ 2,891	N/A	N/A
Vanguard Inter-Term Bond Index	186,568	N/A	4 Star
Vanguard Total Stock Market Index	42,761	N/A	4 Star
Total Investments	<u>\$ 232,220</u>		

**Compensated Absences**

**Vacation**

Vacation shall be earned for continuous service beginning with the most recent date of employment. An employee who works fewer than 12 days in any month shall not accrue vacation credit for such month of service; provided, that this restriction of 12 days shall not apply where the employee has worked fewer than 12 days due to authorized vacation or sick leave. No more than 30 days of accrued vacation leave may be carried over from one calendar year to the next. The City's maximum potential liability under the plan at December 31, 2010 has been estimated at \$76,497.

Full-time employees shall receive one day of vacation with pay each full month of employment. Full-time employees with 10 or more years of employment shall receive one and one-fourth (1 1/4) days of vacation with pay each full month of employment.

**CITY OF ANTHONY, KANSAS**  
Notes to the Financial Statements  
December 31, 2010

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Part-time employees who work at least 20 hours or more per week shall earn vacation at the rate of four hours for each month of employment. Seasonal and temporary employees shall not earn vacation leave.

Upon termination, an employee shall be compensated for all earned but unused vacation at their final rate of pay, subject to the maximum hours of accumulation.

**Sick Leave**

Full-time employees and part-time employees who are employed to work at least 20 hours or more per week shall be entitled to sick leave with pay for absences resulting from illness, injuries, accidents or other physical incapacity occurring either on or off the job. The City's maximum potential liability under the plan at December 31, 2010 has been estimated at \$225,782.

Full-time employees shall earn eight hours of sick leave for each month of service. Part-time employees who are employed to work not less than 20 hours per week shall receive 4 hours of sick leave for each month of employment.

**Defined Benefit Pension Plan**

**Plan Description**

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

**Funding Policy**

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% and 6% (if hired on or after July 1, 2009) of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established for calendar year 2010 was 7.14% and 12.52% for KPERS retirees. The City's employer contributions to KPERS for the years ending December 31, 2010, 2009, and 2008 were \$72,919, \$75,803, and \$64,239, respectively, equal to the required contributions for each year as set forth by the legislature.

**Other Post Employment Benefits**

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

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

**CITY OF ANTHONY, KANSAS**  
Notes to the Financial Statements  
December 31, 2010

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Property Tax Calendar**

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

**Special Assessments**

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

**Restricted Assets**

Restricted cash balances are reported in various funds that are legally restricted for specified uses as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Revenues derived from the operations of the airport are restricted for capital or operating costs of the airport. 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 – CAPITAL PROJECTS**

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

Project Name	Cash Disbursements and Accounts Payable To Date	Project Authorization
Anthony Wellness Center Project	\$ 345,194	919,038
Main Street Demolition	294,290	567,821
Water Utility Project	231,545	4,998,000
Airport Project	857,519	1,246,489

**CITY OF ANTHONY, KANSAS**  
Notes to the Financial Statements  
December 31, 2010

**NOTE 3 – 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 Anthony, Kansas'** interfund transfers and statutory authority for the year ended December 31, 2010 were as follows:

From	To	Statutory Authority	Amount
General Fund	Municipal Equipment Reserve Fund	K.S.A. 12-1,117	\$ 19,979
General Fund	Capital Improvements Fund	K.S.A. 12-1,118	507
General Fund	Sales Tax Revenue Bond Debt Service Fund	K.S.A. 12-1,117	17,226
General Fund	Series 2001 GO Bond Debt Service Fund	K.S.A. 12-1,117	155,376
General Fund	Sales Tax Revenue Bond Debt Service Fund	K.S.A. 12-6a16	205,036
Recreation Fund	Capital Improvements Fund	K.S.A. 12-1,118	16,614
Recreation Fund	Series 2008 Temporary Notes Fund	K.S.A. 10-117a	18,444
Employee Insurance Benefit Fund	Employee Benefit Fund	Closed Fund	104,890
Sales Tax Revenue Bond Sales Tax Fund	General Fund	Closed Fund	90,636
Sales Tax Revenue Bond Sales Tax Fund	Sales Tax Revenue Bond Debt Service Fund	K.S.A. 12-6a16	176,034
Electric Utility Fund	Electric System Equipment Replacement Fund	K.S.A. 12-825d	12,000
Electric Utility Fund	Electric System Reserve Fund	K.S.A. 12-825d	287,854
Electric Utility Fund	Electric Debt Service Fund	K.S.A. 12-825d	285,900
Electric Utility Fund	Series 2005 Electric Bond Debt Service Fund	K.S.A. 12-825d	26,352
Electric Utility Fund	General Fund	K.S.A. 12-825d	239,033
Sewer Equipment Replacement Fund	Sewage Utility Fund	K.S.A. 12-825d	23,000
Sewage Utility Fund	Wastewater Lagoon Cleaning Fund	K.S.A. 12-825d	61,800
Sewage Utility Fund	WWTF Loan Fund	K.S.A. 12-825d	180,480
Sewage Utility Fund	General Fund	K.S.A. 12-825d	8,796
Sewage Utility Fund	Sewer Equipment Replacement Fund	K.S.A. 12-825d	23,976
Sewage Utility Fund	Sewer System Reserve Fund	K.S.A. 12-825d	50,000
Water Utility Fund	Water Equipment Replacement Fund	K.S.A. 12-825d	17,400
Water Utility Fund	Water Debt Service Fund	K.S.A. 12-825d	119,820
Water Utility Fund	Capital Improvements Fund	K.S.A. 12-1,118	23,015
Water Utility Fund	General Fund	K.S.A. 12-825d	16,733
Electric System Reserve Fund	Electric Utility Fund	K.S.A. 12-631p	225,854
Capital Improvements Fund	Industrial Development Fund	K.S.A. 12-1,118	6,115
Capital Improvements Fund	Airport Fund	K.S.A. 12-1,118	30,000
<b>Component Unit Operating Transfers</b>			
Public Library - Van Fund	Public Library - Construction Fund	K.S.A. 79-2925	30,000
Public Library - Van Fund	Public Library - General Fund	K.S.A. 79-2925	15,322

**NOTE 4 – LITIGATION**

**City of Anthony, Kansas** is 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.

**CITY OF ANTHONY, KANSAS**  
Notes to the Financial Statements  
December 31, 2010

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**NOTE 5 – RISK MANAGEMENT**

**City of Anthony, Kansas** is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City has been able to obtain errors and omissions insurance at a cost it considered to be economically justifiable.

The City carries commercial insurance including property, general liability, inland marine, crime, umbrella, and auto coverage. The City does not carry comprehensive collision insurance on all motor vehicles. The City has elected not to provide for a reserve on this risk. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three calendar years.

**NOTE 6 – GRANTS AND SHARED REVENUE**

**City of Anthony, 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 audits, is not believed to be material.

**NOTE 7 – DEBT RESTRICTIONS AND COVENANTS**

**Sales Tax Revenue Bonds**

During the year ended December 31, 2001, the City issued Sales tax Revenue Bonds in the amount of \$1,550,000. These bonds were issued for the purpose of providing funds for street improvements. The City has made certain covenants and agreements to provide for the payment and security of the bond issue. The City is required to have a balance in the Sales Tax Revenue Bond Debt Service Fund of the sum equal to the accrued interest and any premium paid on the bonds. The balance in the Sales Tax Revenue Bond Debt Service Fund was greater than the calculated accrued interest at December 31, 2010.

**Electric Utility Revenue Bonds**

During the year ended December 31, 1998, the City issued Electric Utility System Revenue Bonds in the amount of \$3,345,000. The bonds were issued for the purpose of providing funds to pay for costs of acquiring, constructing, reconstructing, altering, repairing, improving, extending or enlarging the electric utility system of the City. In October 2004, the City issued Electric Utility System Revenue Refunding Bonds in the amount of \$2,805,000 to refinance the bonds issued in 1998.

In connection with the original 1998 bond issue the City has made certain covenants and agreements to provide for the payment and security thereof. Under the terms of City Ordinance No. S-108 the City is required to meet certain requirements for "Net Revenues", bond reserve accounts, rate covenants, tax covenants, depreciation and replacement reserves and bond and interest payment accounts. These covenants and agreements also apply to the Electric Utility System Revenue Refunding Bonds issued in 2004.

For the year ended December 31, 2010 the System had "Net Revenues", as computed under the bond resolution, in the amount of \$584,697. Thus, net revenues were in excess of the 125% of the debt service requirement in the bond resolution.

**CITY OF ANTHONY, KANSAS**  
Notes to the Financial Statements  
December 31, 2010

**NOTE 7 – DEBT RESTRICTIONS AND COVENANTS (continued)**

The following schedule presents the computation of "Net Revenues" in accordance with the resolution.

Electric Utility Fund	
Revenues	\$ 3,809,248
Total Expenditures per Report	3,836,657
Transfers out to Reserve Funds	(612,106)
Total Expenditures	3,224,551
Net Revenues	584,697
Debt Service Requirement for 2010	
2004 Electric Revenue Bond	283,259
2005 Electric Revenue Bond	30,083
Total	313,342
Total x 1.25	(391,678)
Operational Revenue Exceeding Rate Covenant Requirement	\$ 193,019

The system is insured with Employers Mutual through EMC of Wichita, Kansas.

**NOTE 8 – COMPARATIVE DATA**

Comparative data for the prior year have been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in **City of Anthony, Kansas'** cash and unencumbered cash balances. However, complete comparative data (presentation of prior year totals in Statement 1) has not been presented since their inclusion would make the statement unduly complex and difficult to read.

**NOTE 9 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The City had an unencumbered cash balance of \$(685) in the Library Fund. This is in violation of K.S.A. 10-1113. The City also had negative unencumbered cash balances in the Airport and CDBG Urgent Need Funds. The negative balances in these two funds are a result of grant expenses. These expenses were reimbursed in 2011.

The quarterly report for cash and debt balances published in the newspaper for the fourth quarter of 2010 showed inaccurate debt balances on the Tennis Court, Wheatridge Series 2009A GO Bond, Loan Warrants, and Capital Leases. This is in violation of K.S.A. 12-1608.

Actual expenditures exceeded budgeted expenditures in the General Fund (\$32,892), Airport Fund (\$52,787), Special Parks and Recreation Fund (\$3,823), and Sewage Utility Fund (\$86,388). This is in violation of K.S.A. 79-2935.

**CITY OF ANTHONY, KANSAS**  
Notes to the Financial Statements  
December 31, 2010

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**NOTE 9 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

The Municipal Equipment Reserve Fund was used to purchase items other than equipment. This is in violation of K.S.A. 12-1,117.

**NOTE 10 – REVITALIZATION AND INDUSTRIAL DEVELOPMENT LOANS**

The City Industrial Development Board owns a building north of the City limits and has an installment agreement in place with a buyer on the building. The installment agreement was in place February 1, 2006. The buyer is making monthly payments on the note with the term of the note being 120 months and an interest rate of 5%. The balance of this loan at December 31, 2010 is \$54,663. Improvements were made to this building in 2009 and an additional promissory note was executed by the buyer. This promissory note term is 60 months with a balloon payment at the end of the term and has an interest rate of 5%. The balance of this note at December 31, 2010 is \$77,125.

The City and the Industrial Development Board make loans to businesses within the **City of Anthony, Kansas**. These loans have maturities of 5 years and interest rates ranging from 1% to 4.37%. The balance of these loans total \$36,990 at December 31, 2010.

A lease purchase agreement was approved for the Anthony Golf Club to assist in the purchase of a mower. This is a five year lease that was entered into on December 20, 2010. The lease has an interest rate of 1.10%. The balance of the lease at December 31, 2010 was \$12,500.

**NOTE 11 – PRIOR PERIOD ADJUSTMENTS**

The Capital Improvements Fund and Wayne Dennis Fund were adjusted for prior period errors. A journal entry was done in 2008 transferring money from the Wayne Dennis Fund to the Capital Improvements Fund. This was done in error. The restatement correctly adjusts to increase cash \$7,165 in the Wayne Dennis Fund and decrease cash \$7,165 in the Capital Improvements Fund.

**NOTE 12 – LONG-TERM DEBT**

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

**General Obligation Bond**

In 2001, the City issued \$1,200,000 in Internal Improvement 2001 Bonds for the purpose of providing funds for internal improvements.

In 2002, the City issued \$885,000 in Internal Improvement and Refunding 2002 Bonds for the purpose of providing funds for internal improvements.

In 2005, the City issued \$235,000 in Series 2005 Bonds for the purpose of purchasing a fire truck.

In 2008, the City issued \$255,000 in Main Traffic Way Project Bonds – Series 2008 for the purpose of providing funds for main traffic way improvements.

On January 15, 2009, the City issued \$355,000 in Series 2009A Bonds for the purpose of sewer line, street, and tennis court improvements.

**CITY OF ANTHONY, KANSAS**  
Notes to the Financial Statements  
December 31, 2010

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**NOTE 12 – LONG-TERM DEBT (continued)**

On April 15, 2010, the City issued \$280,000 in Series 2010A Bonds for the purpose of swimming pool improvements.

**Temporary Notes**

On August 1, 2010, the City issued \$261,000 in Series 2010 General Obligation Temporary Notes for the purpose of public water supply system improvements.

**Revenue Bonds**

In 2001, the City issued \$1,550,000 in Series 2001 Sales Tax Revenue Bonds for the purpose of street improvements.

On September 20, 2004, the City issued \$2,805,000 in Series 2004 Revenue Bonds for the purpose of electric utility improvements.

On June 27, 2005, the City issued \$300,000 in Series 2005 Revenue Bonds for the purpose of electric utility improvements.

**KDHE Loans**

On December 30, 1999, the City entered into a revolving loan agreement with the Kansas Department of Health and Environment acting on behalf of the State of Kansas for \$1,851,150 for the purpose of wastewater treatment improvements. The City will use proceeds generated by the operation of the utility for loan repayment, which began March 1, 2002.

On December 31, 2008, the City entered into a revolving loan agreement with the Kansas Department of Health and Environment acting on behalf of the State of Kansas for \$313,713 for the purpose of wastewater treatment improvements. The City will use proceeds generated by the operation of the utility for loan repayment, which began March 1, 2010.

**Loan Warrants**

On November 17, 2008, the City entered into a loan warrant agreement with the Anthony Fireman's Relief Association for \$100,000 for the purpose of purchasing a new tanker fire truck.

On May 3, 2010, the City entered into a loan warrant agreement with the Anthony Fireman's Relief Association for \$14,400 for the purpose of purchasing a new fire rig truck and equipment.

**Capital Leases**

In 2000, the City approved a lease purchase agreement for \$32,444 between the Airport Fund and the Electric Utility Fund for airport improvements.

In 2005, the City entered into a lease with KANZA Bank for \$101,353 for the purpose of building industrial buildings.

In 2006, the City entered into a lease with KANZA Bank for \$48,747 for the purpose of purchasing a 2007 F-350 pickup and a 2006 F-150 pickup.

In 2006, the City entered into a lease with Bank of Kansas for \$169,789 for the purpose of purchasing a digger truck.

**CITY OF ANTHONY, KANSAS**  
Notes to the Financial Statements  
December 31, 2010

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**NOTE 12 – LONG-TERM DEBT (continued)**

In 2006, the City approved a lease purchase agreement for \$7,575 between the General Fund and the Water Utility Fund, Electric Utility Fund, and Sewage Utility Fund for the purpose of purchasing a pickup.

In 2006, the City approved a lease purchase agreement for \$9,094 between the Water Utility Fund and the Electric Utility Fund for the purpose of purchasing a 2001 F-150 pickup.

In 2007, the City approved a lease purchase agreement for \$4,745 between the General Fund and the Water Utility Fund for the purpose of building a police garage.

In 2007, the City approved a lease purchase agreement for \$22,172 between the Water Utility Fund and the Electric Utility Fund for the purpose of ball park renovations.

In 2007, the City entered into a lease with Farmers Bank and Trust Company for \$151,146 for the purpose of purchasing a loader, backhoe, and police car.

On December 31, 2007, the City approved a lease purchase agreement for \$53,699 between the General Fund and the Water Utility Fund for the purpose of wastewater property improvements.

On June 17, 2008, the City entered into a lease with KANZA Bank for \$58,617 for the purpose of purchasing a 2007 John Deere Tractor and a 2008 John Deere Rotary Cutter.

On September 15, 2008, the City entered into a lease with Farmers Bank and Trust Company for \$57,973 for the purpose of purchasing a 2008 F-350 pickup, a 2008 F-450 pickup, and a flatbed.

On August 31, 2009, the City entered into a lease with KANZA Bank for \$85,000 for the purpose of improvement to the industrial building.

On March 15, 2010, the City entered into a lease with KANZA Bank for \$20,395 for the purpose of purchasing a police car.

On April 21, 2010, the City entered into a lease with Farmers Bank and Trust Company for \$28,990 for the purpose of purchasing a mower.

On July 6, 2010, the City approved a lease purchase agreement for \$89,785 between the General Fund and the Electric Utility Fund for the purpose of providing funds for the downtown demolition.

CITY OF ANTHONY, KANSAS  
Notes to the Financial Statements  
December 31, 2010

NOTE 11 - LONG-TERM DEBT (continued)

Changes in long-term liabilities for the City for the year ended December 31, 2010, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/Payments	Net Change	Balance End of Year	Interest Paid
<b>General Obligation Bonds</b>										
Internal Improvement 2001	3.50 - 4.38%	2001	\$ 1,200,000	2011	280,000	-	135,000		145,000	9,248
Internal Improvement and Refunding 2002	1.45 - 3.30%	2002	885,000	2011	210,000	-	105,000		105,000	6,825
Series 2005 - Fire Truck	2.90 - 4.40%	2005	235,000	2020	180,000	-	15,000		165,000	6,850
Main Trafficway Project	3.50 - 4.25%	2008	255,000	2023	250,000	-	10,000		240,000	9,855
Series 2009A - Sunjise Addn & Tennis Court	3.45 - 5.40%	2009	355,000	2024	355,000	-	50,000		305,000	27,365
Series 2010A - Pool	3.25 - 4.15%	2010	280,000	2025	-	280,000	-		280,000	-
<b>Total General Obligation Bonds</b>					<u>1,275,000</u>	<u>280,000</u>	<u>315,000</u>		<u>1,240,000</u>	<u>60,141</u>
<b>Temporary Note</b>										
Water Improvement GO Temporary Notes	1.30%	2010	261,000	2013	-	261,000	-		261,000	-
<b>Revenue Bonds</b>										
Sales Tax - Series 2001	3.75 - 4.70%	2001	1,550,000	2011	365,000	-	180,000		185,000	12,835
Electric Utility System Refunding - Series 2004	3.73%	2004	2,805,000	2017	1,830,000	-	215,000		1,615,000	68,239
Electric Utility Revenue Bond 2005	3.25%	2005	300,000	2020	245,000	-	20,000		225,000	10,083
<b>Total Revenue Bonds</b>					<u>2,440,000</u>		<u>415,000</u>		<u>2,025,000</u>	<u>91,177</u>
<b>Loan Warrants</b>										
Fireman Relief Fund -2009	0.00%	2009	100,000	2018	100,000	-	20,000		80,000	-
Fireman Relief Fund -2010	0.00%	2010	14,400	2019	-	14,400	1,440		12,960	-
<b>Total Loan Warrants</b>					<u>100,000</u>	<u>14,400</u>	<u>21,440</u>		<u>92,960</u>	
<b>KDHE Loans</b>										
KDHE Project No. C20-1212-01	3.49%	2002	1,851,150	2021	1,315,136	-	89,862		1,225,174	45,120
KDHE Project No. C20-1775-01	2.88%	2009	313,713	2030	158,987	154,726	5,875		307,738	6,714
<b>Total KDHE Loans</b>					<u>1,474,123</u>	<u>154,726</u>	<u>95,937</u>		<u>1,532,912</u>	<u>51,834</u>
<b>Capital Leases</b>										
Airport Improvements	5.88%	2000	32,444	2010	4,140	-	4,140		57,995	3,855
Industrial Development Real Estate	5.90%	2005	101,353	2015	67,706	-	9,711		-	157
2007 F350 & 2006 F150	4.75%	2006	48,747	2010	8,781	-	31,404		35,363	2,268
Loader, Police Car, Backhoe	4.32%	2007	151,146	2012	66,797	-	29,833		48,051	3,698
2006 Digger Truck	5.75%	2006	169,789	2012	77,884	-	2,007		80	80
Police Pickup General	4.00%	2006	7,575	2010	2,007	-	2,409		-	96
2001 F150 W/Lake	4.00%	2006	9,094	2010	2,409	-	573		2,802	12
Police Garage	4.00%	2007	4,745	2017	3,375	-	4,897		4,651	251
Ball Park Renovation	5.18%	2007	22,172	2011	9,548	-	11,185		33,502	1,802
Ford Truck, Flatbed, Water truck, Waste water truck	4.55%	2008	57,973	2013	44,687	-	5,690		45,327	3,970
Wastewater property improvements	4.00%	2008	53,689	2022	51,017	-	11,471		30,763	1,481
JD tractor mower, Rotary cutter	4.00%	2008	58,617	2014	42,234	-	6,588		76,197	4,588
Kerr Addition - K & K Diesel	4.00%	2008	85,000	2014	82,795	-	6,163		22,827	681
Mower - ATM72LC	5.75%	2009	28,990	2013	-	28,990	4,900		15,495	478
Crown Victoria Police Car	3.75%	2010	20,395	2013	-	20,395	-		89,785	-
Demolition Project	3.50%	2010	89,785	2010	-	89,785	-		462,788	-
<b>Total Capital Leases</b>	1.10%				<u>463,360</u>	<u>139,170</u>	<u>139,762</u>		<u>5,614,660</u>	<u>226,569</u>
<b>Total Contractual Indebtedness</b>					<u>5,752,503</u>	<u>849,296</u>	<u>987,139</u>	<u>(43,198)</u>	<u>302,279</u>	
<b>Compensated Absences</b>	N/A	N/A	N/A	N/A	<u>345,477</u>				<u>5,916,939</u>	<u>226,569</u>
<b>Total Long-Term Debt</b>					<u>\$ 6,097,980</u>	<u>849,296</u>	<u>987,139</u>	<u>(43,198)</u>	<u>5,916,939</u>	<u>226,569</u>

CITY OF ANTHONY, KANSAS  
Notes to the Financial Statements  
December 31, 2010

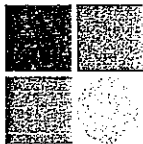
NOTE 11 - LONG-TERM DEBT (continued)

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	
	2011	2012	2013	2014	2015	2016-2020	2021-2025	2026-2030				
<b>Principal</b>												
General Obligation Bonds	\$ 305,000	60,000	60,000	65,000	65,000	395,000	290,000	-	-	1,240,000		
Temporary Notes	-	-	261,000	-	-	-	-	-	-	261,000		
Revenue Bonds	430,000	250,000	260,000	270,000	280,000	535,000	-	-	-	2,025,000		
Loan Warrants	11,440	11,440	11,440	11,440	11,440	35,760	-	-	-	92,960		
KDHE Loans	104,790	108,436	112,210	116,114	120,155	686,493	216,354	88,360	-	1,532,912		
Capital Leases	129,683	88,562	50,364	76,299	23,274	52,188	42,418	-	-	462,788		
<b>Total Principal</b>	<b>980,913</b>	<b>518,438</b>	<b>755,014</b>	<b>538,853</b>	<b>499,869</b>	<b>1,684,441</b>	<b>548,772</b>	<b>88,360</b>	<b>-</b>	<b>5,614,660</b>		
<b>Interest</b>												
General Obligation Bonds	50,784	37,282	29,446	32,824	30,525	111,948	32,837	-	-	325,646		
Temporary Notes	3,393	3,393	3,393	-	-	-	-	-	-	10,179		
Revenue Bonds	73,950	60,470	51,131	41,399	24,991	37,090	24,746	7,057	-	289,031		
KDHE Loans	51,495	47,116	44,075	40,170	36,129	114,899	24,746	-	-	365,687		
Capital Leases	16,926	11,505	8,202	6,686	2,682	7,090	1,607	-	-	54,698		
<b>Total Interest</b>	<b>196,548</b>	<b>159,766</b>	<b>136,247</b>	<b>121,079</b>	<b>94,327</b>	<b>271,027</b>	<b>59,190</b>	<b>7,057</b>	<b>-</b>	<b>1,045,241</b>		
<b>Total Principal and Interest</b>	<b>\$ 1,177,461</b>	<b>678,204</b>	<b>891,261</b>	<b>659,932</b>	<b>594,196</b>	<b>1,955,468</b>	<b>607,962</b>	<b>95,417</b>	<b>-</b>	<b>6,659,901</b>		

CITY OF ANTHONY, KANSAS

Supplementary Information



Certified  
Public  
Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Mayor and City Commission  
City of Anthony, Kansas  
Anthony, Kansas

We have audited the financial statements of **City of Anthony, Kansas** as of and for the year ended December 31, 2010, and have issued our report thereon dated July 05, 2011. The report on the audited financial statements was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with 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. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered **City of Anthony, Kansas'** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **City of Anthony, Kansas'** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **City of Anthony, Kansas'** internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. The finding is identified as 2010-1.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with

**City of Anthony, Kansas**  
Page Two

governance. We consider the deficiencies described in the accompanying schedule of findings and questioned cost to be significant deficiencies. The findings are identified as 2010-2 through 2010-4.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **City of Anthony, Kansas'** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2010-4.

We noted certain matters that we have reported to management of **City of Anthony, Kansas**, in a separate letter dated July 05, 2011.

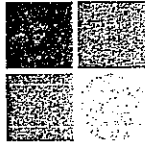
**City of Anthony, Kansas'** response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit **City of Anthony, Kansas'** response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Commission, others within the entity, federal awarding agencies and pass through entities, and the Kansas Department of Administration, Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties.

*Adams, Brown, Beran & Ball*

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

July 05, 2011



Certified  
Public  
Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Mayor and City Commission  
**City of Anthony, Kansas**  
Anthony, Kansas

**Compliance**

We have audited **City of Anthony, Kansas'** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of **City of Anthony, Kansas'** major federal programs for the year ended December 31, 2010. **City of Anthony, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **City of Anthony, Kansas'** management. Our responsibility is to express an opinion on **City of Anthony, Kansas'** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **City of Anthony, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on **City of Anthony, Kansas'** compliance with those requirements.

In our opinion, **City of Anthony, Kansas** complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2010-5.

**Internal Control Over Compliance**

Management of **City of Anthony, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered **City of Anthony, Kansas'** internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over

City of Anthony, Kansas

Page Two

compliance. Accordingly, we do not express an opinion on the effectiveness of City of Anthony, Kansas' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-5. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

City of Anthony, Kansas' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit City of Anthony, Kansas' responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, City Commission, others within the entity, federal awarding agencies and pass-through entities, and the Kansas Department of Administration, Division of Accounts and Reports, and is not intended to be and should not be used by anyone other than these specified parties.

*Adams, Brown, Beran + Ball*

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

July 05, 2011

CITY OF ANTHONY, KANSAS  
 Schedule of Findings and Questioned Costs  
 For the Year Ended December 31, 2010

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified?   X   Yes        No
- Significant deficiencies identified?   X   Yes        None reported
- Noncompliance material to financial statements noted?        Yes   X   No

**FEDERAL AWARDS**

Internal control over major programs:

- Material weakness identified?        Yes   X   No
- Significant deficiency identified?   X   Yes        None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?   X   Yes        No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
14.228	Community Development Block Grant
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:   \$  300,000  

Auditee qualified as low-risk auditee?        Yes   X   No

**CITY OF ANTHONY, KANSAS**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2010

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

**A. Material Weakness in Internal Control**

**2010-1**

**Criteria**

Internal controls should be in place to insure that employees do not have incompatible duties.

**Condition**

Proper segregation of duties does not exist in the accounting system.

**Context**

We found that there were incompatible duties among the personnel that collect general revenues and prepare checks. The personnel that post general receipts to the general ledger, prepares bank deposits and prepares the bank reconciliation. The same person prepares checks and has access to signature stamps. This provides an opportunity for misappropriations.

**Effect**

Management may not become aware of the problems or irregularities within a timely manner.

**Cause**

The Organization is unable to hire additional personnel due to its size.

**Recommendation**

Procedures should be established and implemented where the Organization implements segregation of duties in the receipts and expenditures cycles and implements additional internal control.

**Views of responsible officials and planned corrective actions**

See auditee's corrective action plan.

**B. Significant Deficiencies in Internal Control**

**2010-2**

**Criteria**

Client personnel responsible for the accounting and reporting function should possess the necessary skills and knowledge to prepare financial statements and related footnotes in conformity with the cash basis and budget laws of the State of Kansas.

**Condition**

Client personnel do not have the necessary skills and knowledge to apply statutory basis accounting principles in recording the entity's financial transactions or when preparing financial statements.

**Context**

We inquired with personnel about their ability to apply statutory basis accounting principles. Training or additional personnel would be required in order for the City to prepare financial statements using the statutory basis of accounting.

**CITY OF ANTHONY, KANSAS**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2010

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**B. Significant Deficiencies in Internal Control (continued)**

**Effect**

The City might not be able to report all transactions of the entity in accordance with the statutory basis of accounting. Transactions could occur and not be reported timely. Financial reports showing year-to-date transactions of the City could not be available to support all of the activities.

**Cause**

Due to the limited size of **City of Anthony, Kansas**, it is not practical to hire fully qualified staff to the extent that they possess all the skills in order to apply the appropriate accounting principles when preparing financial statements, including relevant footnote disclosures.

**Recommendation**

Procedures should be established and implemented whereby the City personnel continue to obtain training.

**Views of responsible officials and planned corrective actions**

The City is aware that employees lack the knowledge and necessary skills to apply statutory basis accounting principles when recording financial transactions and preparing financial statements. At this time it is not economically feasible for the City to hire the accounting personnel necessary to prepare financial statements, including relevant footnote disclosures.

**2010-3**

**Criteria**

Signature stamps should be locked and secured by the stamps owner. The stamp should not be available to others, especially anyone with access to checks or check printing or recording capabilities.

**Condition**

Signature stamps are available for use when signing checks. The signature stamps are not currently being secured and therefore, someone other than the owner of the stamp may obtain it.

**Context**

Auditor inquired about the process of check signing and viewed where the stamps are being kept. The auditor recommended that the stamps be locked and stored by their owners.

**Effect**

Allowing others to use the signature stamp on the owner's behalf puts the owner at risk. The owner may not be aware of or authorize the use of the stamp.

**Cause**

Management was not aware of the risks associated with the handling of the signature stamps and had not locked them for convenience.

**Recommendation**

Auditor recommends that only the owner of the signature stamp have access to it and use it.

**Views of responsible officials and planned corrective actions**

See auditee's corrective action plan.

**CITY OF ANTHONY, KANSAS**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2010

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**B. Significant Deficiencies in Internal Control (continued)**

**2010-4**

**Criteria**

The City must comply with Kansas State Statutes for all transactions.

**Condition**

The City did not comply with statutes pertaining to transfers of funds, usage of equipment reserve funds, debt publication notices, budgeted expenditures and cash-basis balances.

**Effect**

The compliance violation undermines the requirements of the statutes.

**Cause**

There is a lack of internal control over statutory compliance.

**Recommendation**

Procedures should be established and implemented where the City personnel monitor all applicable statutes to ensure future compliance.

**Views of responsible officials and planned corrective actions**

See auditee's corrective action plan.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Significant Deficiency in Federal Awards**

**2010-5 CFDA 20.106 Airport Improvement Program**

**Criteria**

31 CFR part 205, 31 requires that recipients enter into agreements with the awarding agency that prescribe specific methods of drawing down federal funds. The **City of Anthony, Kansas'** grant agreement with the Federal Aviation Administration (FAA) specifies that the grant is reimbursable and says that if the funds are not spent within three days, the FAA must be notified. If the City earns interest over \$100 on the reimbursement while it is in the City's bank account, the interest must be remitted to the FAA.

**Condition**

All City personnel were not aware of the cash management requirement. One draw down was not spent within three days. It took 13 days before one of the draw downs was expended. The interest earned on the reimbursement by the City was under \$19 and therefore may be used for administrative expenses.

**Context**

The auditor inquired with personnel about their knowledge of the requirement and noted that not all were aware of the requirement. The auditor scheduled the check dates and reimbursement dates for the FAA's Airport Improvement Program. We noticed that the City had received the draw down funds 13 days before writing a check for that expenditure. We inquired with management about whether the FAA was notified and about the interest earned by the reimbursement.

**CITY OF ANTHONY, KANSAS**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2010

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**2010-5 CFDA 20.106 Airport Improvement Program (continued)**

**Effect**

The City may violate the grant contracts as a result of not meeting compliance requirements of the three day business rule. The City may not notify the FAA of the situation as required because they are not aware of the rule.

**Cause**

The City did not communicate the grant requirements to all personnel involved in the expenditure process. There was a lack of oversight by those in charge of the grant.

**Recommendation**

Procedures should be established and implemented where the City fully understands the cash management compliance requirements and communicates the requirements to all personnel involved. Management will oversee that the cash management requirements are met.

**Views of responsible officials and planned corrective actions**

See auditee's corrective action plan.

CITY OF ANTHONY, KANSAS  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2010

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The City did not have an OMB Circular A-133 audit for the year ended December 31, 2009.

**CITY OF ANTHONY, KANSAS**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
<b>U.S. Department of Commerce</b>			
Community Development Block Grants	14.228	09-IT-901	\$ 268,980
Community Development Block Grants	14.228	10-PF-011	150,658
<b>Total U.S. Department of Commerce</b>			<u>419,638</u>
<b>U.S. Department of Transportation</b>			
Airport Improvement Program	20.106	3-20-0002-04	1,900
Airport Improvement Program	20.106	3-20-0002-05	247,070
Airport Improvement Program	20.106	3-20-0002-06	455,250
Airport Improvement Program	20.106	3-20-0002-07	14,250
Pass Through From Kansas Department of Transportation: Highway Planning and Recovery	20.205		500
<b>Total U.S. Department of Transportation</b>			<u>718,970</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,138,608</u>

See accompanying notes to schedule of expenditures of federal awards.

**CITY OF ANTHONY, KANSAS**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2010

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **City of Anthony, Kansas**, and is presented on the basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**\$172,000**  
**CITY OF ANTHONY, KANSAS**  
**GENERAL OBLIGATION TEMPORARY NOTES**  
**SERIES 2011**

**APPENDIX B**  
**SUMMARY OF FINANCING DOCUMENTS**

## **APPENDIX B**

### **SUMMARY OF FINANCING DOCUMENTS**

The following is a summary of certain provisions contained in the Note Resolution authorizing the issuance of the Notes and the Continuing Disclosure Instructions. This summary does not purport to be complete and is qualified by reference to the entirety of the foregoing documents.

#### **THE NOTE RESOLUTION**

##### **DEFINITIONS**

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

**“Act”** means the Constitution and statutes of the State of Kansas including K.S.A. 10-101 to 10-125, inclusive (specifically including K.S.A. 10-123), K.S.A. 10-620 *et seq.* and K.S.A. 65-163d *et seq.*, as amended and supplemented.

**“Authorized Denomination”** means \$5,000 or any integral multiples thereof.

**“Beneficial Owner”** of the Notes includes any Owner of the Notes and any other Person who, directly or indirectly has the investment power with respect to such Notes.

**“Bond and Interest Fund”** means the Bond and Interest Fund of the Issuer for its general obligation bonds.

**“Bond Counsel”** means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

**“Business Day”** means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

**“Cede & Co.”** means Cede & Co., as nominee of DTC and any successor nominee of DTC with respect to the Notes.

**“City”** means the City of Anthony, Kansas.

**“Clerk”** means the duly appointed and/or elected Clerk or, in the Clerk's absence, the duly appointed Deputy Clerk or Acting Clerk of the Issuer.

**“Code”** means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder of the United States Department of the Treasury.

**“Consulting Engineer”** means an independent engineer or engineering firm, or architect or architectural firm, having a favorable reputation for skill and experience in the construction, financing and operation of public facilities, at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Consulting Engineer by the Note Resolution.

**“Costs of Issuance”** means all costs of issuing the Notes, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, and all expenses incurred in connection with receiving ratings on the Notes.

**“Costs of Issuance Account”** means the account by that name created by the Note Resolution.

**“Dated Date”** means November 15, 2011.

**“Debt Service Account”** means the account by that name (within the Bond and Interest Fund) created by the Note Resolution.

**“Debt Service Requirements”** means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Notes for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

**“Defaulted Interest”** means interest on any Note which is payable but not paid on any Interest Payment Date.

**“Defeasance Obligations”** means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the highest rating category by Moody's (presently “Aaa”) or Standard & Poor's (presently “AAA”).

**“Derivative”** means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

**“Disclosure Instructions”** means the Continuing Disclosure Instructions dated as of the Issue Date, attached to the Issuer's Closing Certificate relating to certain obligations contained in the SEC Rule.

**“DTC”** means The Depository Trust Company.

**“Event of Default”** means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Notes shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Notes shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Notes or in the Note Resolution (other than the covenants relating to continuing disclosure) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Notes then Outstanding.

**“Federal Tax Certificate”** means the Issuer's Federal Tax Certificate for the Notes, dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

**“Fiscal Year”** means the twelve month period ending on December 31.

**“Financeable Costs”** means the amount of expenditure for an Improvement which has been duly authorized by action of the governing body of the Issuer to be financed by general obligation bonds, less: (a) the amount of any temporary notes or general obligation bonds of the Issuer which are currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

**“Funds and Accounts”** means funds and accounts created by or referred to in the Note Resolution.

**“Improvement Fund”** means the fund by that name created in the Note Resolution.

**“Improvements”** means the improvements referred to in the preamble to the Note Resolution and any Substitute Improvements.

**“Independent Accountant”** means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Note Resolution.

**“Interest Payment Date(s)”** means the Stated Maturity of an installment of interest on any Note which shall be May 1 and November 1 of each year, commencing May 1, 2012.

**“Issue Date”** means the date when the Issuer delivers the Notes to the Purchaser in exchange for the Purchase Price.

**“Issuer”** means the City and any successors or assigns.

**“Maturity”** when used with respect to any Note means the date on which the principal of such Note becomes due and payable as therein and in the Note Resolution provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

**“Mayor”** means the duly elected and acting Mayor, or in the Mayor's absence, the duly appointed and/or elected Vice Mayor or Acting Mayor of the Issuer.

**“Moody's”** means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**“Note Payment Date”** means any date on which principal of or interest on any Note is payable.

**“Note Register”** means the books for the registration, transfer and exchange of Notes kept at the office of the Note Registrar.

**“Note Registrar”** means the State Treasurer, Topeka, Kansas, and its successors and assigns.

**“Note Resolution”** means the resolution adopted by the governing body of the Issuer authorizing the issuance of the Notes, as amended from time to time.

**“Notes”** means the General Obligation Temporary Notes, Series 2011, authorized and issued by the Issuer pursuant to the Note Resolution.

**“Official Statement”** means the Issuer's Official Statement, dated November 7, 2011, relating to the Notes.

**“Outstanding”** means, when used with reference to the Notes, as of a particular date of determination, all Notes theretofore, authenticated and delivered, except the following Notes:

- (a) Notes theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

- (b) Notes deemed to be paid in accordance with the provisions of the Note Resolution; and
- (c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered hereunder.

**“Owner”** when used with respect to any Note means the Person in whose name such Note is registered on the Note Register. Whenever consent of the Owners is required pursuant to the terms of this Note Resolution, and the Owner of the Notes, as set forth on the Note Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Notes.

**“Participants”** means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

**“Paying Agent”** means the State Treasurer, and any successors and assigns.

**“Permitted Investments”** shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

**“Person”** means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

**“Purchaser”** means the financial institution or investment banking firm that is original purchaser of the Notes.

**“Rating Agency”** means any company, agency or entity that provides ratings for the Notes.

**“Record Dates”** for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

**“Redemption Date”** when used with respect to any Note to be redeemed means the date fixed for the redemption of such Note pursuant to the terms of the Note Resolution.

**“Redemption Price”** when used with respect to any Note to be redeemed means the price at which such Note is to be redeemed pursuant to the terms of the Note Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

**“Replacement Notes”** means Notes issued to the Beneficial Owners of the Notes in accordance with the Note Resolution.

**“SEC Rule”** means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as may be amended from time to time.

**“Securities Depository”** means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

**“Special Record Date”** means the date fixed by the Paying Agent for the payment of Defaulted Interest.

**“Standard & Poor's”** means Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

**“State”** means the state of Kansas.

**“State Treasurer”** means the duly elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

**“Stated Maturity”** when used with respect to any Note or any installment of interest thereon means the date specified in such Note and the Note Resolution as the fixed date on which the principal of such Note or such installment of interest is due and payable.

**“Substitute Improvements”** means the substitute or additional improvements of the Issuer described in the Note Resolution.

**“Treasurer”** means the duly appointed and/or elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

**“United States Government Obligations”** means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

#### **ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF NOTE PROCEEDS**

***Creation of Funds and Accounts.*** Simultaneously with the issuance of the Notes, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Improvement Fund;
- (b) Debt Service Account; and
- (c) Costs of Issuance Account.

The above Funds and Accounts shall be administered in accordance with the provisions of the Note Resolution so long as the Notes are Outstanding.

***Deposit of Note Proceeds.*** The net proceeds received from the sale of the Notes shall be deposited simultaneously with the delivery of the Notes as follows:

- (a) All accrued interest and premium, if any, received from the sale of the Notes shall be deposited in the Debt Service Account.
- (b) An amount necessary to pay the Costs of Issuance shall be deposited in the Costs of Issuance Account.
- (c) The remaining balance of the proceeds derived from the sale of the Notes shall be deposited in the Improvement Fund.

***Application of Moneys in the Improvement Fund.*** Moneys in the Improvement Fund shall be used for the sole purpose of paying the costs of the Improvements.

Withdrawals from the Improvement Fund shall be made only when authorized by the governing body of the Issuer. Each authorization for costs of the Improvements shall be supported by a certificate executed by the Consulting Engineer stating that such payment is being made for a purpose within the scope of the Note Resolution and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Authorizations for withdrawals for other authorized purposes shall be supported by a certificate executed by the Clerk (or

designate) stating that such payment is being made for a purpose within the scope of the Note Resolution. Upon completion of the Improvements, any surplus remaining in the Improvement Fund shall be deposited in the Debt Service Account.

***Substitution of Improvements; Reallocation of Proceeds.*** The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Notes provided the following conditions are met: (a) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (b) a resolution authorizing the use of the proceeds of the Notes to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer pursuant to this Section, (c) the Attorney General of the State has approved the amendment made by such resolution to the transcript of proceedings for the Notes to include the Substitute Improvements; and (d) the use of the proceeds of the Notes to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax-exempt status of the Notes under State or federal law.

The Issuer may reallocate expenditure of Note proceeds among all Improvements financed by the Notes; provided the following conditions are met: (a) the reallocation is approved by the governing body of the Issuer; (b) the reallocation shall not cause the proceeds of the Notes allocated to any Improvement to exceed the Financeable Costs of the Improvement; and (c) the reallocation will not adversely affect the tax-exempt status of the Notes under State or federal law.

***Application of Moneys in the Debt Service Account.*** All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Notes as and when the same become due and the usual and customary fees and expenses of the Note Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Notes and the fees and expenses of the Note Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Notes are no longer entitled to enforce payment of the Notes or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Note Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Notes entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Account after the retirement of the indebtedness for which the Notes were issued shall be transferred and paid into the Bond and Interest Fund.

***Payments Due on Saturdays, Sundays and Holidays.*** In any case where a Note Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Note Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Note Payment Date, and no interest shall accrue for the period after such Note Payment Date.

***Application of Moneys in the Costs of Issuance Account.*** Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance.

## **DEPOSIT AND INVESTMENT OF MONEYS**

***Deposits.*** Moneys in each of the Funds and Accounts shall be deposited in a bank, savings and loan association or savings bank which are members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law, and which meet certain guidelines of State law. All such deposits shall be held in cash or invested in Permitted Investments or shall be adequately secured as provided by the laws of the State.

***Investments.*** Moneys held in any Fund or Account may be invested in accordance with the Note Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Improvements, earnings on the investment of such funds shall be credited to the Debt Service Account.

## DEFAULT AND REMEDIES

**Remedies.** The provisions of the Note Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Notes. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Notes at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Notes similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Note Resolution or by the Constitution and laws of the State;

(b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Notes.

**Limitation on Rights of Owners.** The covenants and agreements of the Issuer contained in the Note Resolution and in the Notes shall be for the equal benefit, protection, and security of the Owners of any or all of the Notes, all of which Notes of any series shall be of equal rank and without preference or priority of one Note over any other Note in the application of the Funds and Accounts pledged to the payment of the principal of and the interest on the Notes, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Note Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Note Resolution, or to enforce any right, except in the manner provided in the Note Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Notes.

**Remedies Cumulative.** No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Note shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon.

## DEFEASANCE

When any or all of the Notes, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Note Resolution and all other rights granted thereby shall terminate with respect to the Notes or scheduled interest payments thereon so paid and discharged. Notes, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Note Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Notes or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Notes and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Notes, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Notes, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Note Registrar to give such notice of redemption.

## TAX COVENANTS

**General Covenants.** The Issuer covenants and agrees that: it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Notes; and (b) all provisions and requirements of the Federal Tax Certificate. The Issuer will, in addition, adopt such other ordinances or resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Notes will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

**Survival of Covenants.** The covenants contained in the Note Resolution and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Notes pursuant to the Note Resolution or any other provision thereof until such time as is set forth in the Federal Tax Certificate

## MISCELLANEOUS PROVISIONS

**Annual Audit.** Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. Within 30 days after the completion of each such annual audit, a copy thereof shall be filed in the office of the Clerk, and a duplicate copy of the audit shall be mailed to the Purchaser of the Notes. Such audits shall at all times during the usual business hours be open to the examination and inspection by any Owner of any of the Notes, or by anyone acting for or on behalf of such user or Owner.

**Levy and Collection of Annual Tax.** The governing body of the Issuer shall annually make provision for the payment of Debt Service Requirements on the Notes as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.

The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Notes as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

If at any time said taxes are not collected in time to pay the principal of or interest on the Notes when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

**Amendments.** The rights and duties of the Issuer and the Owners, and the terms and provisions of the Notes or of the Note Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Notes then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Note;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Note;
- (c) permit preference or priority of any Note over any other Note; or
- (d) reduce the percentage in principal amount of Notes required for the written consent to any modification or alteration of the provisions of the Note Resolution.

Any provision of the Notes or of the Note Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Notes at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement the Note Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more precisely identify the Improvements, to reallocate proceeds of the Notes among Improvements, to provide for Substitute Improvements, to conform the Note Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

**Notices, Consents and Other Instruments by Owners.** Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Note Resolution shall be in writing, and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the

manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

***Electronic Transaction.*** The issuance of the Notes and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

***Severability.*** If any section or other part of the Note Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of the Note Resolution.

***Governing Law.*** The Notes and the Note Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.