

**CITY OF GALVA, KANSAS**  
**FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**CITY OF GALVA, KANSAS  
CITY OF THE THIRD CLASS  
For The Year Ended December 31, 2011**

H. W. Ford, Mayor

**CITY COUNCIL**

Bryon Smith

G. David Andes

Myrna Walline

Barbara Roe

Larry Tredway

**CITY OFFICERS**

Lori Tector, Clerk

Harry Weelborg, Attorney

Treva J. Norstrom, Treasurer

Hadley Sizemore, Police Judge

Mark Hoppes, Superintendent

**CITY OF GALVA, KANSAS**  
**FINANCIAL STATEMENT**  
**For the Year Ended December 31, 2011**

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SWINDOLL  
JANZEN  
HAWK &  
LOYD, LLC

Certified Public Accountants

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

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

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Galva, Kansas 67443

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the City of Galva, Kansas, as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

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

Our audit was conducted for the purpose of forming an opinion on the 2011 financial statement as a whole. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, schedule of cash receipts and expenditures-agency funds (Schedules 1, 2, 3) as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2011 financial statement. Such information is the responsibility of management and the 2011 supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statement. The 2011 information has been subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statement or to the 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2011 financial statement as a whole.

The 2010 Actual columns presented in the individual fund schedules of cash receipts and expenditures-actual and budget, (Schedules 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2010 financial statement upon which we rendered an unqualified opinion dated March 24, 2011. The 2010 financial statements and our accompany report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2010 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2010 financial statement. The 2010 comparative information was subjected to the auditing procedures applied in the audit of the 2010 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2010 financial statement or to the 2010 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2010 comparative information is fairly stated in all material respects in relation to the 2010 financial statement as a whole.

Swindoll, Janzen, Hawk & Loyd, LLC

Certified Public Accountants

March 28, 2012

## CITY OF GALVA, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

For the Year Ended December 31, 2011

	Beginning Unencum- bered Cash Balance	Prior Year Canceled Encum- brances	Cash Receipts	Expendi- tures	Ending Un- encumbered Cash Balance	Add: Encum- brances and Accounts Payable	Ending Cash Balance
GENERAL FUND	\$ 387,846	-	\$ 490,979	\$ 438,169	\$ 440,657	\$ -	\$ 440,657
SPECIAL REVENUE FUND:							
Special Highway Fund	16,872	-	21,753	22,252	16,373	-	16,373
DEBT SERVICE FUND:							
Bond and Interest Fund	7,928	-	2,790	-	10,718	-	10,718
CAPITAL PROJECT FUND:							
Capital Improvement Fund	45,278	-	495,000	330,254	210,024	-	210,024
ENTERPRISE FUNDS:							
Electric Fund	12,188	-	665,983	508,881	169,290	-	169,290
Sewer Fund	102,972	-	32,970	39,047	96,895	-	96,895
Water Fund	57,575	-	93,643	63,363	87,855	-	87,855
Total Enterprise Funds	172,735	-	792,596	611,291	354,040	-	354,040
Total Reporting Entity (Excluding Agency Funds)	\$ 630,659	\$ -	\$ 1,803,118	\$ 1,401,966	\$ 1,031,811	\$ -	\$ 1,031,811

## COMPOSITION OF CASH:

Checking Account - Farmers State Bank  
 Checking Account - Farmers State Bank  
 Certificates of Deposit - Farmers State Bank

Total Cash

Less Agency Funds per Schedule 3

Total Reporting Entity (Excluding Agency Funds)

\$	611,811
	2,619
	<u>420,000</u>
	1,034,430
	<u>(2,619)</u>
\$	<u>1,031,811</u>

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

# CITY OF GALVA, KANSAS

## NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2011

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **(a) Reporting Entity**

The City of Galva is a municipal corporation governed by an elected mayor and an elected five-member council. The financial statement presents the City of Galva. The City has no component units.

#### **(b) Basis of Presentation - Fund Accounting**

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for separately. Funds are classified into three categories: governmental, proprietary and fiduciary. Within each of these three categories there are one or more fund types. The City uses the following fund types:

##### **Governmental Fund Types**

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

**General Fund** - This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. This fund is charged with all costs of operating the government for which a separate fund has not been established.

**Special Revenue Funds** - These funds are established to account for the proceeds of specific revenue sources other than special assessments, private purpose trusts or major capital projects that are legally restricted to expenditures for specified purposes.

**Debt Service Funds** - These funds are established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds and Special Assessment Funds.

**Capital Project Funds** - These funds account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary and Permanent Funds.

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

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

**Enterprise Funds** - These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

##### **Fiduciary Fund Types**

These funds account for assets held by the City as a trustee or agent for individuals, private organizations and other units of governments. These funds are as follows:

**Agency Funds** - These funds are used to account for assets received for, held for, and disbursed to individuals, other State and Local Government unit funds or other governmental or private sector organizations.

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

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

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

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

### ***(d) Departure from Accounting Principles Generally Accepted in the United States of America***

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

### ***(e) 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:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for 2011.

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.

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

### *(e) Budgetary Information (Cont.)*

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

A legal operating budget is not required for Capital Project Funds and Agency Funds.

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

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### *Compliance with Kansas Statutes*

No statutory violations noted in 2011.

## 3. DEPOSITS AND INVESTMENTS

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

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

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

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

At December 31, 2011, the City's carrying amount of deposits was \$1,034,430 and the bank balance was \$1,089,352. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining \$839,352 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

#### 4. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2011, 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>Capital Leases:</b>										
Building	4.75%	8-15-04	\$ 247,000	9-01-14	\$ 104,622	\$ -	\$ 26,754	\$ (26,754)	\$ 77,868	\$ 4,392
Post Office Building	4.00%	3-05-09	80,000	3-05-14	52,513	-	15,873	(15,873)	36,640	1,810
<b>Total Capital Leases</b>					<b>157,135</b>	<b>-</b>	<b>42,627</b>	<b>(42,627)</b>	<b>114,508</b>	<b>6,202</b>
<b>General Obligation Bond:</b>										
Series 2011	4.00%	3-7-11	470,000	9-01-21	-	470,000	-	470,000	470,000	-
<b>Total Long-Term Debt</b>					<b>\$ 157,135</b>	<b>\$ 470,000</b>	<b>\$ 42,627</b>	<b>\$ 427,373</b>	<b>\$ 584,508</b>	<b>\$ 6,202</b>

Current maturities of long-term debt and interest for the next four years are as follows:

	Year						Total
	2012	2013	2014	2015	2016	2017-2021	
<b>Principal:</b>							
<b>Capital Leases:</b>							
Building	\$ 28,053	\$ 29,415	\$ 20,400	\$ -	\$ -	\$ -	\$ 77,868
Post Office Building	16,515	17,192	2,933	-	-	-	36,640
<b>Total Capital Leases</b>	<b>44,568</b>	<b>46,607</b>	<b>23,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,508</b>
<b>General Obligation Bond:</b>							
Series 2011	30,000	40,000	45,000	45,000	45,000	265,000	470,000
<b>Total Principal</b>	<b>74,568</b>	<b>86,607</b>	<b>68,333</b>	<b>45,000</b>	<b>45,000</b>	<b>265,000</b>	<b>584,508</b>
<b>Interest:</b>							
<b>Capital Leases:</b>							
Building	3,093	1,731	365	-	-	-	5,189
Post Office Building	1,167	491	14	-	-	-	1,672
<b>Total Capital Leases</b>	<b>4,260</b>	<b>2,222</b>	<b>379</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,861</b>
<b>General Obligation Bond:</b>							
Series 2011	27,469	17,600	16,000	14,200	12,400	32,400	120,069
<b>Total Interest</b>	<b>31,729</b>	<b>19,822</b>	<b>16,379</b>	<b>14,200</b>	<b>12,400</b>	<b>32,400</b>	<b>126,930</b>
<b>Total Principal and Interest</b>	<b>\$ 106,297</b>	<b>\$ 106,429</b>	<b>\$ 84,712</b>	<b>\$ 59,200</b>	<b>\$ 57,400</b>	<b>\$ 297,400</b>	<b>\$ 711,438</b>

#### 5. PENSION COSTS AND EMPLOYEE BENEFITS

##### (a) Defined Benefit Pension Plan

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

**5. PENSION COSTS AND EMPLOYEE BENEFITS (CONT.)**

**(a) Defined Benefit Pension Plan (Cont.)**

**Funding Policy.** K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established for calendar year 2011 was 7.74%. (Included in this rate is the contribution for Group Death and Disability Insurance of 1.0% from April 1, 2011 through June 30, 2011). The City employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009, were \$19,485, \$18,380, and \$16,937, respectively, equal to the required contributions for each year as set forth by the legislature.

**(b) Other Employee Benefits**

Vacation - Vacation leave shall be accrued from the employee's date of employment as stipulated hereinafter. All vacation leave must be used by the end of the year and shall not carry over to the following year. No vacation leave shall be taken until a new employee has completed the probationary period.

- (a) Vacations apply only to full-time regular employees.
- (b) Vacations will be allowed for full-time employees in the following manner:

<u>Years of Service</u>	<u>Per Year</u>
1 year of service	5 working days
2 to 9 years of service	10 working days
10 to 14 years of service	15 working days
15 plus years of service	20 working days

Sick leave - All full-time and part-time employees shall be entitled to sick leave with pay for absences resulting from personal illness, injuries, accidents or other physical incapacities, occurring either on or off the job.

<u>Years of Completed Service</u>	<u>Annual Sick Leave Benefits</u>
Upon completion of probationary period-	
90 days but less than 1 year	5 days
After 1 year	10 days

Sick leave may be accumulated up to a total of 50 days. An employee terminating his or her employment with the City, whether with or without notice, or whether terminated for cause, shall not be paid for any unused sick leave.

**6. JOINTLY GOVERNED ORGANIZATION**

***McPherson Area Solid Waste Utility***

The City along with McPherson County and seven other cities located within McPherson County entered into an interlocal agreement, authorized by State Statute, to form the McPherson Area Solid Waste Utility (the Utility) effective July 17, 1991. The purpose of the Utility is to assist its Members in planning, technical and financial matters for comprehensive solid waste management and accomplish the desired objectives of an effective county-wide solid waste management program, including the operation of a cooperative solid waste management program and the operation of a cooperative solid waste processing and disposal system for the benefit of its Members.

## 6. JOINTLY GOVERNED ORGANIZATION (CONT.)

### *McPherson Area Solid Waste Utility (Cont.)*

Management of the Utility is carried out by an appointed three member Board of Directors. The City of McPherson appoints one member to the Board of Directors, McPherson County appoints a second Director and the third Director is appointed collectively by the other seven Members of the Utility.

The agreement and the Utility may be terminated by written consent of at least two-thirds of the Members, provided that prior to such termination all contractual obligations and indebtedness of the Utility have been paid in full or sufficient resources have been escrowed for the payment of such obligations in full when due. Upon such termination, the Board of Directors shall liquidate the Utility and distribute the assets in a manner that, in its discretion, it deems appropriate. Accordingly, any ongoing financial interest or access to the Utility's resources is indeterminable until such action is taken by its Board of Directors. In addition, no Member shall be permitted to withdraw for twenty years or such sooner time as provision is made for the payment or discharge of the debt incurred by the County or assumed by the Utility. Any withdrawing Member shall not be entitled to distribution of any real or personal property of the Utility by reason of its withdrawal.

The Board of Directors shall determine the methods of obtaining financing for the Utility. The County provided the initial financing for the acquisition of land to be used as a site for disposal of refuse, constructing structures and acquiring equipment necessary for the sanitary disposal of refuse in McPherson County. Effective January 1, 1992, the fiscal accounting and operations of the Utility were transferred from McPherson County to management of the Utility.

Condensed financial information of the McPherson Area Solid Waste Utility as of and for the year ended December 31, 2010 is as follows:

Total Assets	\$ 11,943,616
Total Liabilities	5,183,909
Total Net Assets	6,759,707
Total Revenues	5,469,810
Total Expenses	4,999,267
Change in Net Assets	470,543

Complete financial statements for the McPherson Area Solid Waste Utility may be obtained from the administrative offices of the entity at 1431 17<sup>th</sup> Ave, McPherson, Kansas 67460.

## 7. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of March 28, 2012, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

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

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

## 8. INTERFUND TRANSFERS

A summary of operating transfers by fund are as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Capital Improvement	K.S.A. 12-1,118	<u>\$ 25,000</u>

## 9. SUBSEQUENT EVENTS

The Council approved on January 10, 2012, to accept a bid for \$10,076 for the purchase of a Ford truck for the maintenance department.

Management has evaluated the effects of the financial statement of subsequent events occurring through March 28, 2012 which is the date at which the financial statement was available to be issued.

**CITY OF GALVA, KANSAS**  
**SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

CITY OF GALVA, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

(Budgeted Funds Only)

For the Year Ended December 31, 2011

	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Favorable (Unfavorable)</u>
GENERAL FUND	\$ 747,069	\$ -	\$ 747,069	\$ 438,169	\$ 308,900
SPECIAL REVENUE FUND:					
Special Highway Fund	<u>40,739</u>	<u>-</u>	<u>40,739</u>	<u>22,252</u>	<u>18,487</u>
DEBT SERVICE FUND:					
Bond and Interest Fund	<u>7,678</u>	<u>-</u>	<u>7,678</u>	<u>-</u>	<u>7,678</u>
CAPITAL PROJECT FUND:					
Capital Improvement Fund	<u>135,636</u>	<u>-</u>	<u>135,636</u>	<u>330,254</u>	<u>(194,618)</u>
ENTERPRISE FUNDS:					
Electric Fund	522,660	-	522,660	508,881	13,779
Sewer Fund	138,518	-	138,518	39,047	99,471
Water Fund	<u>135,248</u>	<u>-</u>	<u>135,248</u>	<u>63,363</u>	<u>71,885</u>
Total Enterprise Funds	<u>796,426</u>	<u>-</u>	<u>796,426</u>	<u>611,291</u>	<u>185,135</u>
Total Reporting Entity	<u>\$ 1,727,548</u>	<u>\$ -</u>	<u>\$ 1,727,548</u>	<u>\$ 1,401,966</u>	<u>\$ 325,582</u>

## CITY OF GALVA, KANSAS

GENERAL FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

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

	2010 Actual	2011		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes -				
Ad valorem property tax	\$ 232,512	\$ 255,338	\$ 259,661	\$ (4,323)
Back tax collections	1,970	5,902	200	5,702
Motor vehicle tax	27,001	34,920	36,131	(1,211)
Recreational vehicle tax	962	1,135	1,126	9
16/20M vehicle tax	197	150	276	(126)
Local sales tax	97,448	109,535	85,000	24,535
Total Taxes	360,090	406,980	382,394	24,586
Intergovernmental Revenues -				
Economic development	1,634	1,644	1,500	144
Licenses and Permits -				
Utility franchise taxes	13,827	8,855	9,500	(645)
City licenses - beer	1,265	1,148	55	1,093
Building permits	-	-	900	(900)
Dog tags	-	-	100	(100)
Total Licenses and Permits	15,092	10,003	10,555	(552)
Charges for Services -				
Sanitation services	47,837	52,286	40,000	12,286
Fines, Forfeitures and Penalties -				
Police fines	1,118	1,612	800	812
Other -				
Reimbursements	574	187	500	(313)
Miscellaneous	4,429	3,753	1,000	2,753
Rents	10,700	10,850	2,000	8,850
Interest income	5,720	3,507	7,000	(3,493)
Donations	317	157	-	157
Transfer from Bond and Interest	-	-	7,678	(7,678)
Total Other	21,740	18,454	18,178	276
Total Cash Receipts	447,511	490,979	\$ 453,427	\$ 37,552

## CITY OF GALVA, KANSAS

GENERAL FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

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

	2010		2011	
	Actual	Actual	Budget	Variance - Favorable (Unfavorable)
Expenditures				
General Administrative -				
Personal services	\$ 40,720	\$ 57,603	\$ 52,000	\$ (5,603)
Contractual services	108,550	89,362	90,000	638
Commodities	16,936	82,417	20,000	(62,417)
Capital outlay	2,475	-	315,000	315,000
Economic development	3,500	5,776	1,000	(4,776)
Building lease	31,146	31,146	31,146	-
Returned checks and fees	1,037	-	-	-
Post office lease	17,683	17,683	17,683	-
Flood Plain project	-	32,000	30,000	(2,000)
Miscellaneous	50	100	-	(100)
Transfer to Capital Improvement Fund	25,000	25,000	50,000	25,000
Total General Administrative	<u>247,097</u>	<u>341,087</u>	<u>606,829</u>	<u>265,742</u>
Police -				
Personal services	62,408	59,207	60,300	1,093
Contractual services	2,781	1,161	2,200	1,039
Commodities	5,665	4,366	3,000	(1,366)
Capital outlay	14,024	-	-	-
Total Police	<u>84,878</u>	<u>64,734</u>	<u>65,500</u>	<u>766</u>
Street -				
Contractual services	13,435	-	-	-
Commodities	13,600	9,807	30,000	20,193
Capital outlay	-	6,514	19,740	13,226
Total Street	<u>27,035</u>	<u>16,321</u>	<u>49,740</u>	<u>33,419</u>
Recreation Committee -				
Personal services	9,239	9,258	9,000	(258)
Contractual services	92	-	11,000	11,000
Commodities	5,460	6,769	4,000	(2,769)
Capital outlay	-	-	500	500
Appropriation	-	-	500	500
Total Recreation Committee	<u>14,791</u>	<u>16,027</u>	<u>25,000</u>	<u>8,973</u>

CITY OF GALVA, KANSAS

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

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

	<u>2010 Actual</u>	<u>2011</u>		<u>Variance - Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Expenditures (cont.)				
Total Expenditures	<u>\$ 373,801</u>	<u>\$ 438,169</u>	<u>\$ 747,069</u>	<u>\$ 308,900</u>
Receipts Over (Under) Expenditures	73,710	52,810		
Unencumbered Cash, Beginning	<u>314,138</u>	<u>387,848</u>		
Unencumbered Cash, Ending	<u>\$ 387,848</u>	<u>\$ 440,657</u>		

CITY OF GALVA, KANSAS

SPECIAL REVENUE FUND

SPECIAL HIGHWAY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

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

	2010 Actual	2011		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
State of Kansas - fuel tax	\$ 21,498	\$ 21,753	\$ 21,980	\$ (227)
Miscellaneous	82	-	-	-
Total Cash Receipts	<u>21,580</u>	<u>21,753</u>	<u>\$ 21,980</u>	<u>\$ (227)</u>
Expenditures				
Contractual services	2,410	-	\$ -	\$ -
Commodities	17,817	22,252	4,000	(18,252)
Capital outlay	-	-	36,739	36,739
Total Expenditures	<u>20,227</u>	<u>22,252</u>	<u>\$ 40,739</u>	<u>\$ 18,487</u>
Receipts Over (Under) Expenditures	1,353	(499)		
Unencumbered Cash, Beginning	<u>15,519</u>	<u>16,872</u>		
Unencumbered Cash, Ending	<u>\$ 16,872</u>	<u>\$ 16,373</u>		

CITY OF GALVA, KANSAS

DEBT SERVICE FUND

BOND AND INTEREST FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

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

	<u>2011</u>			Variance - Favorable (Unfavorable)
	<u>2010 Actual</u>	<u>Actual</u>	<u>Budget</u>	
<b>Cash Receipts</b>				
Ad valorem property tax	\$ 28	\$ -	\$ -	\$ -
Back tax collections	154	283	200	83
Motor vehicle tax	9,681	2,417	-	2,417
Recreational vehicle tax	336	39	-	39
16/20M vehicle tax	83	51	-	51
<b>Total Cash Receipts</b>	<u>10,282</u>	<u>2,790</u>	<u>\$ 200</u>	<u>\$ 2,590</u>
<b>Expenditures</b>				
Principal	70,000	-	\$ -	\$ -
Interest	3,920	-	-	-
Commissions and postage	3	-	-	-
Transfer to General Fund	-	-	7,678	7,678
<b>Total Expenditures</b>	<u>73,923</u>	<u>-</u>	<u>\$ 7,678</u>	<u>\$ 7,678</u>
<b>Receipts Over (Under) Expenditures</b>	(63,641)	2,790		
<b>Unencumbered Cash, Beginning</b>	<u>71,569</u>	<u>7,928</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 7,928</u>	<u>\$ 10,718</u>		

CITY OF GALVA, KANSAS

CAPITAL PROJECT FUND

CAPITAL IMPROVEMENT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

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

	2010 Actual	2011		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
G.O. Bond proceeds	\$ -	\$ 470,000	\$ -	\$ 470,000
Transfer from General Fund	25,000	25,000	50,000	(25,000)
<b>Total Cash Receipts</b>	<b>25,000</b>	<b>495,000</b>	<b>\$ 50,000</b>	<b>\$ 445,000</b>
Expenditures				
Contractual services	15,358	-	\$ -	\$ -
Capital outlay	-	330,254	65,636	(264,618)
Waterwell	-	-	50,000	50,000
Street	-	-	20,000	20,000
<b>Total Expenditures</b>	<b>15,358</b>	<b>330,254</b>	<b>\$ 135,636</b>	<b>\$ (194,618)</b>
Receipts Over (Under) Expenditures	9,642	164,746		
Unencumbered Cash, Beginning	35,636	45,278		
Unencumbered Cash, Ending	<b>\$ 45,278</b>	<b>\$ 210,024</b>		

## CITY OF GALVA, KANSAS

ENTERPRISE FUNDELECTRIC FUNDSCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

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

	2010 Actual	2011		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Electricity charges	\$ 480,792	\$ 660,824	\$ 503,000	\$ 157,824
Penalties	3,825	4,059	2,500	1,559
Installation charges	1,025	1,100	1,500	(400)
Reimbursements	2,523	-	200	(200)
Miscellaneous	694	-	-	-
Total Cash Receipts	<u>488,859</u>	<u>665,983</u>	<u>\$ 507,200</u>	<u>\$ 158,783</u>
Expenditures				
Personal services	171,502	145,570	\$ 150,000	\$ 4,430
Contractual services	314,274	345,623	345,000	(623)
Commodities	17,155	17,688	15,000	(2,688)
Capital outlay	-	-	12,660	12,660
Total Expenditures	<u>502,931</u>	<u>508,881</u>	<u>\$ 522,660</u>	<u>\$ 13,779</u>
Receipts Over (Under) Expenditures	(14,072)	157,102		
Unencumbered Cash, Beginning	<u>26,260</u>	<u>12,188</u>		
Unencumbered Cash, Ending	<u>\$ 12,188</u>	<u>\$ 169,290</u>		

CITY OF GALVA, KANSAS

ENTERPRISE FUND

SEWER FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

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

	2010 Actual	2011		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Sewer charges	\$ 30,579	\$ 31,570	\$ 30,000	\$ 1,570
Sewer tap	1,175	1,000	1,000	-
Reimbursements	400	400	500	(100)
Total Cash Receipts	<u>32,154</u>	<u>32,970</u>	<u>\$ 31,500</u>	<u>\$ 1,470</u>
Expenditures				
Personal services	19,148	25,647	\$ 22,000	\$ (3,647)
Contractual services	11,120	6,136	6,000	(136)
Commodities	3,532	7,264	2,000	(5,264)
Capital outlay	-	-	108,518	108,518
Total Expenditures	<u>33,800</u>	<u>39,047</u>	<u>\$ 138,518</u>	<u>\$ 99,471</u>
Receipts Over (Under) Expenditures	(1,646)	(6,077)		
Unencumbered Cash, Beginning	<u>104,618</u>	<u>102,972</u>		
Unencumbered Cash, Ending	<u>\$ 102,972</u>	<u>\$ 96,895</u>		

CITY OF GALVA, KANSAS

ENTERPRISE FUND

WATER FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2011

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

	2010 Actual	2011		Variance - Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Water charges	\$ 75,458	\$ 90,493	\$ 70,000	\$ 20,493
Installation charges	2,350	3,150	2,000	1,150
Miscellaneous	-	-	500	(500)
Total Cash Receipts	<u>77,808</u>	<u>93,643</u>	<u>\$ 72,500</u>	<u>\$ 21,143</u>
Expenditures				
Personal services	21,184	19,024	\$ 23,000	\$ 3,976
Contractual services	34,136	16,013	20,000	3,987
Commodities	29,161	28,326	32,000	3,674
Capital outlay	-	-	10,248	10,248
Waterwell	-	-	50,000	50,000
Total Expenditures	<u>84,481</u>	<u>63,363</u>	<u>\$ 135,248</u>	<u>\$ 71,885</u>
Receipts Over (Under) Expenditures	(6,673)	30,280		
Unencumbered Cash, Beginning	<u>64,248</u>	<u>57,575</u>		
Unencumbered Cash, Ending	<u>\$ 57,575</u>	<u>\$ 87,855</u>		

CITY OF GALVA, KANSAS

AGENCY FUNDS

SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS

For the Year Ended December 31, 2011

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Payroll Clearing Fund	\$ -	\$ 316,322	\$ 316,322	\$ -
Recreation Committee Fund	1,546	7,199	6,126	2,619
Sales Tax Fund	620	12,019	12,639	-
Total	<u>\$ 2,166</u>	<u>\$ 335,540</u>	<u>\$ 335,087</u>	<u>\$ 2,619</u>