

CITY OF GALVA, KANSAS
FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012

**CITY OF GALVA, KANSAS
CITY OF THE THIRD CLASS
For The Year Ended December 31, 2012**

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
For the Year Ended December 31, 2012

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Galva, Kansas 67443

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Galva, Kansas, a Municipality as of and for the year ended December 31, 2012 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditors' Responsibility

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

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

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Galva, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" 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, 2012, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

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, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2012 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2012 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 basic financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or to the 2012 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2011 Actual column presented in the individual fund schedules of regulatory basis 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 2011 basic financial statement upon which we rendered an unqualified opinion dated March 28, 2012. The 2011 basic financial statement and our accompanying 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 2011 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 2011 basic financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 basic financial statement or to the 2011 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 basic financial statement as a whole, on the basis of accounting described in Note 1.

Swindoll, Janzen, Hawk & Loyd, LLC

Certified Public Accountants

May 1, 2013

CITY OF GALVA, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASHRegulatory Basis

For the Year Ended December 31, 2012

	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:							
General Fund	\$ 440,657	-	\$ 478,566	\$ 415,377	\$ 503,846	\$ -	\$ 503,846
SPECIAL PURPOSE FUND:							
Special Highway Fund	16,373	-	22,565	7,955	30,983	-	30,983
BOND AND INTEREST FUND:							
Bond and Interest Fund	10,718	-	58,503	57,470	11,751	-	11,751
CAPITAL PROJECT FUND:							
Capital Improvement Fund	210,024	-	25,000	130,845	104,179	-	104,179
BUSINESS FUNDS:							
Electric Fund	169,290	-	676,409	539,671	306,028	-	306,028
Sewer Fund	96,895	-	33,332	49,583	80,644	-	80,644
Water Fund	87,855	-	93,637	83,531	97,961	-	97,961
Total Business Funds	354,040	-	803,378	672,785	484,633	-	484,633
Total Reporting Entity (Excluding Agency Funds)	\$ 1,031,812	\$ -	\$ 1,388,012	\$ 1,284,431	\$ 1,135,392	\$ -	\$ 1,135,392
COMPOSITION OF CASH:							
Checking Account - Farmers State Bank							\$ 715,392
Checking Account - Farmers State Bank							4,714
Certificates of Deposit - Farmers State Bank							420,000
Total Cash							1,140,106
Less Agency Funds per Schedule 3							(4,714)
Total Reporting Entity (Excluding Agency Funds)							\$ 1,135,392

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, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Municipal Financial Reporting Entity*

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

(b) *Regulatory Basis Fund Types*

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

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

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

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

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (i.e. water fund, electric fund, etc.).

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

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.)

(c) *Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America*

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America (Cont.)

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

(d) Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. 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 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 2012.

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 regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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 2012.

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, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$1,140,106 and the bank balance was \$1,208,568. 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 \$958,568 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, 2012, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Capital Leases:									
Building	4.75%	8-15-04	\$ 247,000	9-01-14	\$ 77,868	\$ -	\$ 28,053	\$ 49,815	\$ 3,093
Post Office Building	4.00%	3-05-09	80,000	3-05-14	36,640	-	16,515	20,125	1,167
Total Capital Leases					114,508	-	44,568	69,940	4,260
General Obligation Bond:									
Series 2011	4.00%	3-7-11	470,000	9-01-21	470,000	-	30,000	440,000	27,469
Total Contractual Indebtedness					\$ 584,508	\$ -	\$ 74,568	\$ 509,940	\$ 31,729

4. LONG-TERM DEBT (CONT.)

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

	Year						Total
	2013	2014	2015	2016	2017	2018-2021	
Principal:							
Capital Leases:							
Building	\$ 29,415	\$ 20,400	\$ -	\$ -	\$ -	\$ -	\$ 49,815
Post Office Building	17,192	2,933	-	-	-	-	20,125
Total Capital Leases	46,607	23,333	-	-	-	-	69,940
General Obligation Bond:							
Series 2011	40,000	45,000	45,000	45,000	50,000	215,000	440,000
Total Principal	86,607	68,333	45,000	45,000	50,000	215,000	509,940
Interest:							
Capital Leases:							
Building	1,731	365	-	-	-	-	2,096
Post Office Building	491	14	-	-	-	-	505
Total Capital Leases	2,222	379	-	-	-	-	2,601
General Obligation Bond:							
Series 2011	17,600	16,000	14,200	12,400	10,600	21,800	92,600
Total Interest	19,822	16,379	14,200	12,400	10,600	21,800	95,201
Total Principal and Interest	\$ 106,429	\$ 84,712	\$ 59,200	\$ 57,400	\$ 60,600	\$ 236,800	\$ 605,141

5. DEFINED BENEFIT PENSION PLAN

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

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

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) 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 this financial statement.

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

(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.

Vacations apply only to full-time regular employees. 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.

7. OTHER RELATIONSHIPS

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.

7. OTHER RELATIONSHIPS (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, 2011 is as follows:

Total Assets	\$ 11,742,076
Total Liabilities	4,910,070
Total Net Assets	6,832,006
Total Revenues	4,932,442
Total Expenses	4,860,143
Change in Net Assets	72,299

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

8. CLAIMS AND JUDGMENTS

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, the 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 torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012 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.

9. INTERFUND TRANSFERS

Operating transfers were as follows:

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

10. SUBSEQUENT EVENTS

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

CITY OF GALVA, KANSAS
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012

CITY OF GALVA, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

(Budgeted Funds Only)

For the Year Ended December 31, 2012

	<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 - Over (Under)</u>
GENERAL FUND:					
General Fund	\$ 813,497	\$ -	\$ 813,497	\$ 415,377	\$ (398,120)
SPECIAL PURPOSE FUND:					
Special Highway Fund	46,002	-	46,002	7,955	(38,047)
BOND AND INTEREST FUND:					
Bond and Interest Fund	67,469	-	67,469	57,470	(9,999)
CAPITAL PROJECT FUND:					
Capital Improvement Fund	361,278	-	361,278	130,845	(230,433)
BUSINESS FUNDS:					
Electric Fund	547,588	-	547,588	539,671	(7,917)
Sewer Fund	135,972	-	135,972	49,583	(86,389)
Water Fund	137,575	-	137,575	83,531	(54,044)

CITY OF GALVA, KANSAS

GENERAL FUNDGENERAL FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes -				
Ad valorem property tax	\$ 255,338	\$ 210,908	\$ 215,519	\$ (4,611)
Back tax collections	5,902	4,146	200	3,946
Motor vehicle tax	34,920	39,798	38,330	1,468
Recreational vehicle tax	1,135	1,394	1,327	67
16/20M vehicle tax	150	319	198	121
Local sales tax	109,535	110,946	85,000	25,946
Total Taxes	406,980	367,511	340,574	26,937
Intergovernmental Revenues -				
Economic development	1,644	1,960	1,500	460
Licenses and Permits -				
Utility franchise taxes	8,855	4,352	9,500	(5,148)
City licenses - beer	1,148	713	55	658
Building permits	-	-	900	(900)
Dog tags	-	-	100	(100)
Total Licenses and Permits	10,003	5,065	10,555	(5,490)
Charges for Services -				
Sanitation services	52,286	59,483	40,000	19,483
Fines, Forfeitures and Penalties -				
Police fines	1,612	1,170	800	370
Other -				
Reimbursements	187	155	500	(345)
Miscellaneous	3,753	3,973	1,000	2,973
Rents	10,850	9,165	2,000	7,165
Interest income	3,507	1,375	7,000	(5,625)
Donations	157	28,709	-	28,709
Total Other	18,454	43,377	10,500	32,877
Total Receipts	490,979	478,566	\$ 403,929	\$ 74,637

CITY OF GALVA, KANSAS

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2012			Variance - Over (Under)
	2011 Actual	Actual	Budget	
Expenditures				
General Administrative -				
Personal services	\$ 57,603	\$ 55,284	\$ 52,000	\$ 3,284
Contractual services	89,362	93,415	90,000	3,415
Commodities	82,417	63,761	20,000	43,761
Capital outlay	-	15,687	315,000	(299,313)
Economic development	5,776	-	1,000	(1,000)
Building lease	31,146	31,146	31,146	0
Post office lease	17,683	17,683	17,683	-
Flood Plain project	32,000	26,000	32,000	(6,000)
Miscellaneous	100	-	-	-
Transfer to Capital Improvement Fund	25,000	25,000	50,000	(25,000)
Total General Administrative	<u>341,087</u>	<u>327,976</u>	<u>608,829</u>	<u>(280,853)</u>
Police -				
Personal services	59,207	61,824	65,000	(3,176)
Contractual services	1,161	3,319	2,200	1,119
Commodities	4,366	4,360	3,000	1,360
Total Police	<u>64,734</u>	<u>69,503</u>	<u>70,200</u>	<u>(697)</u>
Street -				
Commodities	9,807	-	30,000	(30,000)
Capital outlay	6,514	-	79,468	(79,468)
Total Street	<u>16,321</u>	<u>-</u>	<u>109,468</u>	<u>(109,468)</u>
Recreation Committee -				
Personal services	9,258	8,827	9,000	(173)
Contractual services	-	-	11,000	(11,000)
Commodities	6,769	8,571	4,000	4,571
Capital outlay	-	-	500	(500)
Appropriation	-	500	500	-
Total Recreation Committee	<u>16,027</u>	<u>17,898</u>	<u>25,000</u>	<u>(7,102)</u>

CITY OF GALVA, KANSAS

GENERAL FUND

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	<u>2011 Actual</u>	<u>2012</u>		<u>Variance - Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Expenditures (cont.)				
Total Expenditures	\$ <u>438,169</u>	\$ <u>415,377</u>	\$ <u>813,497</u>	\$ <u>(398,120)</u>
Receipts Over (Under) Expenditures	52,810	63,189		
Unencumbered Cash, Beginning	<u>387,847</u>	<u>440,657</u>		
Unencumbered Cash, Ending	\$ <u>440,657</u>	\$ <u>503,846</u>		

CITY OF GALVA, KANSAS

SPECIAL PURPOSE FUNDSPECIAL HIGHWAY FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts				
State of Kansas - fuel tax	\$ 21,753	\$ 22,565	\$ 21,730	\$ 835
Expenditures				
Commodities	22,252	7,955	\$ 4,000	\$ 3,955
Capital outlay	-	-	42,002	(42,002)
Total Expenditures	<u>22,252</u>	<u>7,955</u>	<u>\$ 46,002</u>	<u>\$ (38,047)</u>
Receipts Over (Under) Expenditures	(499)	14,610		
Unencumbered Cash, Beginning	<u>16,872</u>	<u>16,373</u>		
Unencumbered Cash, Ending	<u>\$ 16,373</u>	<u>\$ 30,983</u>		

CITY OF GALVA, KANSAS

BOND AND INTEREST FUND

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts				
Ad valorem property tax	\$ -	\$ 58,137	\$ 59,141	\$ 58,137
Back tax collections	283	366	200	166
Motor vehicle tax	2,417	-	-	-
Recreational vehicle tax	39	-	-	-
16/20M vehicle tax	51	-	-	-
Total Receipts	<u>2,790</u>	<u>58,503</u>	<u>\$ 59,341</u>	<u>\$ 58,303</u>
Expenditures				
Principal	-	30,000	\$ 30,000	\$ -
Interest	-	27,470	27,469	1
Cash basis reserve	-	-	10,000	(10,000)
Total Expenditures	<u>-</u>	<u>57,470</u>	<u>\$ 67,469</u>	<u>\$ (9,999)</u>
Receipts Over (Under) Expenditures	2,790	1,033		
Unencumbered Cash, Beginning	<u>7,928</u>	<u>10,718</u>		
Unencumbered Cash, Ending	<u>\$ 10,718</u>	<u>\$ 11,751</u>		

CITY OF GALVA, KANSAS

CAPITAL PROJECT FUND

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts				
G.O. Bond proceeds	\$ 470,000	\$ -	\$ -	\$ -
Transfer from General Fund	25,000	25,000	50,000	(25,000)
Total Receipts	495,000	25,000	\$ 50,000	\$ (25,000)
Expenditures				
Capital outlay	330,254	130,845	\$ 45,278	\$ 85,567
Waterwell	-	-	100,000	(100,000)
Street	-	-	216,000	(216,000)
Total Expenditures	330,254	130,845	\$ 361,278	\$ (230,433)
Receipts Over (Under) Expenditures	164,746	(105,845)		
Unencumbered Cash, Beginning	45,278	210,024		
Unencumbered Cash, Ending	\$ 210,024	\$ 104,179		

CITY OF GALVA, KANSAS

BUSINESS FUNDELECTRIC FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts				
Electricity charges	\$ 660,824	\$ 672,138	\$ 490,000	\$ 182,138
Penalties	4,059	4,246	2,500	1,746
Installation charges	1,100	-	1,500	(1,500)
Reimbursements	-	25	200	(175)
Total Receipts	<u>665,983</u>	<u>676,409</u>	<u>\$ 494,200</u>	<u>\$ 182,209</u>
Expenditures				
Personal services	145,570	154,010	\$ 120,000	\$ 34,010
Contractual services	345,623	322,959	345,000	(22,041)
Commodities	17,688	62,702	18,000	44,702
Capital outlay	-	-	64,588	(64,588)
Total Expenditures	<u>508,881</u>	<u>539,671</u>	<u>\$ 547,588</u>	<u>\$ (7,917)</u>
Receipts Over (Under) Expenditures	157,102	136,738		
Unencumbered Cash, Beginning	<u>12,188</u>	<u>169,290</u>		
Unencumbered Cash, Ending	<u>\$ 169,290</u>	<u>\$ 306,028</u>		

CITY OF GALVA, KANSAS

BUSINESS FUNDSEWER FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts				
Sewer charges	\$ 31,570	\$ 32,532	\$ 30,000	\$ 2,532
Sewer tap	1,000	400	1,000	(600)
Reimbursements	400	400	500	(100)
Total Receipts	<u>32,970</u>	<u>33,332</u>	<u>\$ 31,500</u>	<u>\$ 1,832</u>
Expenditures				
Personal services	25,647	26,358	\$ 22,000	\$ 4,358
Contractual services	6,136	7,163	6,000	1,163
Commodities	7,264	16,062	2,000	14,062
Capital outlay	-	-	105,972	(105,972)
Total Expenditures	<u>39,047</u>	<u>49,583</u>	<u>\$ 135,972</u>	<u>\$ (86,389)</u>
Receipts Over (Under) Expenditures	(6,077)	(16,251)		
Unencumbered Cash, Beginning	<u>102,972</u>	<u>96,895</u>		
Unencumbered Cash, Ending	<u>\$ 96,895</u>	<u>\$ 80,644</u>		

CITY OF GALVA, KANSAS

BUSINESS FUNDWATER FUNDSCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGETRegulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts				
Water charges	\$ 90,493	\$ 91,299	\$ 75,000	\$ 16,299
Installation charges	3,150	2,313	2,000	313
Miscellaneous	-	25	500	(475)
Total Receipts	<u>93,643</u>	<u>93,637</u>	<u>\$ 77,500</u>	<u>\$ 16,137</u>
Expenditures				
Personal services	19,024	20,040	\$ 23,000	\$ (2,960)
Contractual services	16,013	30,008	20,000	10,008
Commodities	28,326	33,483	32,000	1,483
Capital outlay	-	-	12,575	(12,575)
Waterwell	-	-	50,000	(50,000)
Total Expenditures	<u>63,363</u>	<u>83,531</u>	<u>\$ 137,575</u>	<u>\$ (54,044)</u>
Receipts Over (Under) Expenditures	30,280	10,106		
Unencumbered Cash, Beginning	<u>57,575</u>	<u>87,855</u>		
Unencumbered Cash, Ending	<u>\$ 87,855</u>	<u>\$ 97,961</u>		

CITY OF GALVA, KANSAS

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

Regulatory Basis

For the Year Ended December 31, 2012

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Payroll Clearing Fund	\$ -	\$ 326,344	\$ 326,344	\$ -
Recreation Committee Fund	2,619	9,935	7,840	4,714
Sales Tax Fund	-	12,998	12,998	-
Total	<u>\$ 2,619</u>	<u>\$ 349,277</u>	<u>\$ 347,182</u>	<u>\$ 4,714</u>