

CITY OF VICTORIA, KANSAS

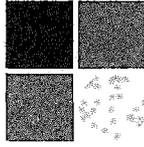
Primary Government Financial Statement
With Independent Auditors' Report

For the Year Ended December 31, 2012

CITY OF VICTORIA, KANSAS
Primary Government Financial Statement With Independent Auditors' Report
For the Year Ended December 31, 2012

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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Victoria, Kansas
Victoria, Kansas

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Adverse Opinion on Aggregate Discretely Presented Related Municipal Entities

The financial statement referred to above does not include financial data for the City's legally separate related municipal entity. Accounting principles generally accepted in the United States of America require financial data for the related municipal entity to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include

the financial data for its related municipal entities. The City has not issued such reporting entity financial statements. The effect on the financial statement of this departure from accounting principles generally accepted in the United State of America, although not reasonably determined, is presumed to be material.

Adverse Opinion on Aggregate Discretely Presented Related Municipal Entities

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

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

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

Adverse Opinion on Aggregate Remaining Fund Information

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

Opinion on Regulatory Basis of Accounting

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the summary statement of receipts, expenditures and unencumbered cash (basic financial statement) as a whole. The summary of expenditures – actual and budget and individual fund schedules of receipts and expenditures (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures,

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

Adams, Brown, Beran & Ball

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

October 21, 2013

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Fund	\$ 361,626	-	471,164	518,413	314,377	17,852	332,229
Special Purpose Funds							
Employee Benefit Fund	4,783	-	84,842	88,529	1,096	-	1,096
Special Highway Fund	4,832	-	31,621	29,806	6,647	3,341	9,988
Special Machinery Fund	70,791	-	-	-	70,791	-	70,791
Special Park and Recreation Fund	10,179	-	-	-	10,179	-	10,179
Equipment Reserve Fund	42,762	-	-	26,329	16,433	-	16,433
Capital Improvements Fund	253,092	-	127,000	423,501	(43,409)	43,442	33
Bond and Interest Fund							
Bond and Interest Fund	21,435	-	50,879	54,773	17,541	-	17,541
Business Funds							
Water Utility Fund	103,466	-	241,102	201,900	142,668	7,072	149,740
Sewer Utility Fund	93,412	-	104,752	141,081	57,083	4,919	62,002
Refuse Utility Fund	11,420	-	108,481	95,393	24,508	5,084	29,592
Total Primary Government	<u>\$ 977,798</u>	<u>-</u>	<u>1,219,841</u>	<u>1,579,725</u>	<u>617,914</u>	<u>81,710</u>	<u>699,624</u>
				Composition of Cash			
					Checking Accounts	\$	410,170
					Money Market Accounts		39,209
					Certificates of Deposit		250,245
					Total Primary Government	\$	<u>699,624</u>

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Use of Estimates

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

Financial Reporting Entity

The City is a municipal corporation governed by an elected mayor and five-member council. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the City and/or its constituents.

Housing Authority

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

Basis of Presentation – Fund Accounting

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

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

Regulatory Basis Fund Types

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

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.

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

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

Basis of Accounting

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

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

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

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

Property Tax Calendar

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

Restricted Assets

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

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.

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

NOTE 2 – BUDGETARY INFORMATION

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

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

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

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

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

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Special Machinery Fund, Equipment Reserve Fund, and Capital Improvements Fund.

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

NOTE 3 – DEPOSITS AND INVESTMENTS

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

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks

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

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.

Custodial Credit Risk – Deposits

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

At December 31, 2012, the City's carrying amount of deposits was \$699,624 and the bank balance was \$720,849. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$661,309 was covered by federal depository insurance and \$59,540 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. The City had no investments at December 31, 2012.

NOTE 4 – INTERFUND TRANSFERS

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

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General Fund	Capital Improvements Reserve Fund	K.S.A. 12-1118	\$ 127,000

NOTE 5 – LITIGATION

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

NOTE 6 – RISK MANAGEMENT

City of Victoria, Kansas carries commercial insurance for risks of loss, including property, general liability, inland marine, automobile, crime, workers compensation, and linebacker. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

NOTE 7 – GRANTS AND SHARED REVENUES

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

NOTE 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Expenditures exceeded available monies in the Capital Improvement Fund by \$43,409, which is a violation of K.S.A. 10-1113.

Expenditures exceeded the adopted budget in the following funds, which is a violation of K.S.A. 79-2935:

Employee Benefit Fund	\$ (1,529)
Water Utility Fund	(7,133)

NOTE 9 – DEFERRED COMPENSATION PLAN

City of Victoria, Kansas sponsors a deferred compensation plan under Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The City is not required to make any contributions.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

Plan Description

City of Victoria, Kansas participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report (only one is issued) 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. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law

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

provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

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

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

NOTE 12 – COMPENSATED ABSENCES

Vacation

City of Victoria, Kansas' policy regarding vacation is that an employee must work for a period of 1 year before any vacation is accumulated at which time the employee is then allowed 10 days. After 5 years, 1 day is accumulated for each year of service up to a maximum of 24 days. The potential liability for vacation at December 31, 2012 was \$20,719. This is reflected in the financial statement.

Sick Leave

The policy regarding sick leave is that an employee can accumulate 120 days of sick leave at 12 days a year. Any accumulation is canceled upon termination of employees with less than five years of service. All full-time employees who have completed five years or more of employment will be paid for sick leave on a graduated scale to a maximum of \$2,400 after 26 years of employment. The potential liability for sick leave at December 31, 2012 was \$49,497. \$3,307 is reflected in the financial statement.

NOTE 14 – LONG-TERM DEBT

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

General Obligation Bond

On October 15, 2009, **City of Victoria, Kansas** issued general obligation refunding bonds of \$415,000 (par value) with interest rates of 1.5 - 3.9% to advance refund term bonds. The Series A refunding bonds mature on December 1, 2019, and are callable on December 1, 2014.

KDHE Revolving Loan

The City entered into a \$1,043,195 revolving loan agreement on September 14, 2002 with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance the construction of a sludge basin.

The City entered into a \$465,456 revolving loan agreement on July 29, 2009 with the Kansas Department of Health and Environment acting on behalf of the State of Kansas to finance the water line replacement project.

Lease Obligations

The City has entered into a lease agreement with an option to purchase a fire truck at the expiration of the lease term. The lease contains a fiscal funding clause.

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

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2009A Refunding	1 5% - 3 9%	10/15/09	\$ 415,000	12/01/19	\$ 325,000	-	(45,000)	280,000	9,773
KDHE Revolving Loans									
Sludge Basin Construction	Various	09/14/02	1,043,195	09/01/22	625,588	-	(50,528)	575,060	20,782
Water Line Replacement	Various	07/29/09	465,456	08/01/30	397,052	-	(14,626)	382,426	14,830
Capital Lease Payable									
Fire Truck	5.00%	06/01/07	143,999	06/01/12	25,076	-	(25,076)	-	1,254
Total Contractual Indebtedness					\$ 1,372,716	-	(135,230)	1,237,486	46,639

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

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	YEAR								Total
	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028-2030	
Principal									
General Obligation Bonds	\$ 40,000	40,000	40,000	40,000	40,000	80,000	-	-	280,000
KDHE Revolving Loans	67,446	69,811	72,258	74,792	77,415	394,101	119,080	82,583	957,486
Total Principal	107,446	109,811	112,258	114,792	117,415	474,101	119,080	82,583	1,237,486
Interest									
General Obligation Bonds	8,940	8,020	6,940	5,760	4,480	4,620	-	-	38,760
KDHE Revolving Loans	30,611	28,432	26,176	23,841	21,424	67,788	25,686	5,037	228,995
Total Interest	39,551	36,452	33,116	29,601	25,904	72,408	25,686	5,037	267,755
Total Principal and Interest	\$ 146,997	146,263	145,374	144,393	143,319	546,509	144,766	87,620	1,505,241

CITY OF VICTORIA, KANSAS

Regulatory-Required Supplementary Information

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

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds					
General Fund	\$ 598,540	-	598,540	518,413	(80,127)
Special Purpose Funds					
Employee Benefit Fund	87,000	-	87,000	88,529	1,529
Special Highway Fund	32,991	-	32,991	29,806	(3,185)
Special Park and Recreation Fund	6,000	-	6,000	-	(6,000)
Bond and Interest Fund					
Bond and Interest Fund	69,772	-	69,772	54,773	(14,999)
Business Funds					
Water Utility Fund	194,767	-	194,767	201,900	7,133
Sewer Utility Fund	181,612	-	181,612	141,081	(40,531)
Refuse Utility Fund	118,332	-	118,332	95,393	(22,939)

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes				
Ad Valorem	\$ 274,998	254,982	256,494	(1,512)
Delinquent	3,325	1,744	-	1,744
Motor Vehicle	36,440	36,167	32,850	3,317
Total Taxes	314,763	292,893	289,344	3,549
Intergovernmental				
Local Sales Tax	93,657	96,269	70,000	26,269
Licenses and Permits				
Zoning Fees	60	180	-	180
Franchise Fees	71,942	65,923	30,000	35,923
Licenses and Permits	5,056	4,987	3,000	1,987
Total Licenses and Permits	77,058	71,090	33,000	38,090
Fines and Forfeitures				
Fines	1,954	1,525	2,000	(475)
Use of Money and Property				
Interest	632	212	800	(588)
Swimming Pool	4,470	4,287	4,000	287
Miscellaneous	4,024	4,888	-	4,888
Total Use of Money and Property	9,126	9,387	4,800	4,587
Total Cash Receipts	496,558	471,164	399,144	72,020
Expenditures				
General Government				
Personal Services	23,170	26,896	25,000	1,896
Commodities	7,940	7,880	15,000	(7,120)
Contractual Services	23,785	21,766	25,000	(3,234)
Capital Outlay	961	1,475	4,000	(2,525)
Total General Government	\$ 55,856	58,017	69,000	(10,983)

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Police Department				
Personal Services	\$ 102,391	112,159	110,000	2,159
Commodities	20,288	13,915	12,000	1,915
Contractual Services	8,480	7,635	12,000	(4,365)
Capital Outlay	94	-	7,000	(7,000)
Total Police Department	131,253	133,709	141,000	(7,291)
Fire Department				
Personal Services	8,685	10,158	12,000	(1,842)
Commodities	4,222	4,295	8,000	(3,705)
Contractual Services	2,583	5,051	5,000	51
Capital Outlay	201	-	5,000	(5,000)
Total Fire Department	15,691	19,504	30,000	(10,496)
Park Department				
Personal Services	16,916	23,449	22,000	1,449
Commodities	3,831	3,655	4,000	(345)
Contractual Services	804	1,454	1,500	(46)
Capital Outlay	797	1,058	3,000	(1,942)
Total Park Department	22,348	29,616	30,500	(884)
Street Department				
Personal Services	8,863	16,875	14,000	2,875
Commodities	1,157	2,872	6,000	(3,128)
Contractual Services	1,122	13,403	12,000	1,403
Capital Outlay	-	49,180	9,000	40,180
Total Street Department	11,142	82,330	41,000	41,330
Street Lighting				
Contractual Services	17,523	18,289	22,000	(3,711)
Pool Department				
Personal Services	15,820	16,265	16,000	265
Commodities	5,969	5,511	8,000	(2,489)
Contractual Services	296	2,791	2,500	291
Capital Outlay	3,398	-	2,000	(2,000)
Total Pool Department	\$ 25,483	24,567	28,500	(3,933)

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Planning Commission				
Personal Services	\$ 2,142	479	2,000	(1,521)
Commodities	-	-	500	(500)
Contractual Services	361	158	500	(342)
Total Planning Commission	<u>2,503</u>	<u>637</u>	<u>3,000</u>	<u>(2,363)</u>
Victoria Health Facility	<u>15,782</u>	<u>18,204</u>	<u>26,000</u>	<u>(7,796)</u>
Herzogfest	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Industrial Development	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Senior Companion	<u>4,040</u>	<u>4,040</u>	<u>4,040</u>	<u>-</u>
Transfers Out	<u>166,000</u>	<u>127,000</u>	<u>201,000</u>	<u>(74,000)</u>
Total Expenditures	<u>470,121</u>	<u>518,413</u>	<u>598,540</u>	<u>(80,127)</u>
Cash Receipts Over (Under) Expenditures	26,437	(47,249)		
Unencumbered Cash - Beginning	<u>335,189</u>	<u>361,626</u>		
Unencumbered Cash - Ending	\$ <u>361,626</u>	<u>314,377</u>		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes				
Ad Valorem	\$ 55,227	77,000	77,529	(529)
Delinquent	680	365	-	365
Motor Vehicle	7,570	7,477	6,597	880
Total Cash Receipts	63,477	84,842	84,126	716
Expenditures				
Personal Services	69,564	88,529	87,000	1,529
Cash Receipts Over (Under) Expenditures	(6,087)	(3,687)		
Unencumbered Cash - Beginning	10,870	4,783		
Unencumbered Cash - Ending	\$ 4,783	1,096		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental				
State Gasoline Tax	\$ 31,433	31,621	32,500	(879)
Reimbursements	1,361	-	-	-
Total Cash Receipts	<u>32,794</u>	<u>31,621</u>	<u>32,500</u>	<u>(879)</u>
Expenditures				
Personal Services	14,524	12,198	10,000	2,198
Commodities	3,138	2,784	5,000	(2,216)
Contractual Services	10,957	6,118	3,896	2,222
Capital Outlay	-	8,706	5,970	2,736
Transfers Out	1,002	-	8,125	(8,125)
Total Expenditures	<u>29,621</u>	<u>29,806</u>	<u>32,991</u>	<u>(3,185)</u>
Cash Receipts Over (Under) Expenditures	3,173	1,815		
Unencumbered Cash - Beginning	<u>1,659</u>	<u>4,832</u>		
Unencumbered Cash - Ending	\$ <u>4,832</u>	<u>6,647</u>		

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

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	70,791	70,791
Unencumbered Cash - Ending	\$ 70,791	70,791

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts	\$ -	-	-	-
Expenditures				
Capital Outlay	-	-	6,000	(6,000)
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	10,179	10,179		
Unencumbered Cash - Ending	\$ 10,179	10,179		

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 74,000	-
Expenditures		
Capital Outlay	69,746	26,329
Cash Receipts Over (Under) Expenditures	4,254	(26,329)
Unencumbered Cash - Beginning	38,508	42,762
Unencumbered Cash - Ending	<u>\$ 42,762</u>	<u>16,433</u>

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers In	\$ 92,000	127,000
Expenditures		
Capital Outlay	58,245	423,501
Cash Receipts Over (Under) Expenditures	33,755	(296,501)
Unencumbered Cash - Beginning	219,337	253,092
Unencumbered Cash - Ending	\$ 253,092	(43,409)

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes				
Ad Valorem	\$ 32,264	34,243	34,480	(237)
Delinquent	526	234	-	234
Motor Vehicle	5,710	4,708	3,854	854
Special Assessments	12,513	11,630	11,630	-
Use of Money and Property	387	64	-	64
Total Cash Receipts	<u>51,400</u>	<u>50,879</u>	<u>49,964</u>	<u>915</u>
Expenditures				
Principal	45,000	45,000	45,000	-
Interest	10,538	9,773	9,772	1
Cash Basis Reserve	-	-	15,000	(15,000)
Total Expenditures	<u>55,538</u>	<u>54,773</u>	<u>69,772</u>	<u>(14,999)</u>
Cash Receipts Over (Under) Expenditures	(4,138)	(3,894)		
Unencumbered Cash - Beginning	<u>25,573</u>	<u>21,435</u>		
Unencumbered Cash - Ending	<u>\$ 21,435</u>	<u>17,541</u>		

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

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Cash Receipts				
Water Sales	\$ 208,932	213,274	170,000	43,274
Special Assessments	17,005	17,035	17,000	35
Water Taps	350	450	500	(50)
Late Charges	3,754	3,410	-	3,410
Interest	1,190	801	1,000	(199)
Water Protection Fee	1,320	1,278	1,200	78
Federal Aid	2,000	-	-	-
Miscellaneous	3,911	4,854	2,600	2,254
Total Cash Receipts	<u>238,462</u>	<u>241,102</u>	<u>192,300</u>	<u>48,802</u>
Expenditures				
Personal Services	77,353	79,889	75,000	4,889
Commodities	62,412	73,263	50,000	23,263
Contractual Services	18,182	18,242	22,288	(4,046)
Capital Outlay	-	1,050	18,000	(16,950)
Revolving Loan Payments	36,222	29,456	29,479	(23)
Total Expenditures	<u>194,169</u>	<u>201,900</u>	<u>194,767</u>	<u>7,133</u>
Cash Receipts Over (Under) Expenditures	44,293	39,202		
Unencumbered Cash - Beginning	<u>59,173</u>	<u>103,466</u>		
Unencumbered Cash - Ending	\$ <u>103,466</u>	<u>142,668</u>		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Sewer Service Charges	\$ 104,164	103,900	105,000	(1,100)
Miscellaneous	653	852	-	852
Total Cash Receipts	<u>104,817</u>	<u>104,752</u>	<u>105,000</u>	<u>(248)</u>
Expenditures				
Personal Services	45,259	44,774	35,000	9,774
Commodities	18,627	19,720	20,000	(280)
Contractual Services	4,132	5,277	10,000	(4,723)
Capital Outlay	-	-	45,302	(45,302)
Revolving Loan Payments	71,310	71,310	71,310	-
Total Expenditures	<u>139,328</u>	<u>141,081</u>	<u>181,612</u>	<u>(40,531)</u>
Cash Receipts Over (Under) Expenditures	(34,511)	(36,329)		
Unencumbered Cash - Beginning	<u>127,923</u>	<u>93,412</u>		
Unencumbered Cash - Ending	\$ <u>93,412</u>	<u>57,083</u>		

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Refuse Charges	\$ 97,656	108,481	<u>96,000</u>	<u>12,481</u>
Expenditures				
Personal Services	49,914	51,097	48,000	3,097
Commodities	11,938	4,993	5,000	(7)
Contractual Services	45,715	39,303	50,000	(10,697)
Capital Outlay	15,910	-	<u>15,332</u>	<u>(15,332)</u>
Total Expenditures	<u>123,477</u>	<u>95,393</u>	<u>118,332</u>	<u>(22,939)</u>
Cash Receipts Over (Under) Expenditures	(25,821)	13,088		
Unencumbered Cash - Beginning	<u>37,241</u>	<u>11,420</u>		
Unencumbered Cash - Ending	\$ <u>11,420</u>	<u>24,508</u>		