

Comprehensive **ANNUAL** **Financial** **REPORT**

CITY OF WINFIELD, KANSAS



for Fiscal Year Ending
December 31, 2011



CITY OF WINFIELD, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

CITY COMMISSION AND MAYOR

Mayor Taggart L. Wall
Commissioner Gregory N. Thompson
Commissioner G. Thomas McNeish

CITY MANAGER

Warren Porter

CITY CLERK

Brenda Peters

DIRECTOR OF FINANCE/CITY TREASURER

Anne Jarrett

CITY OF WINFIELD, KANSAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

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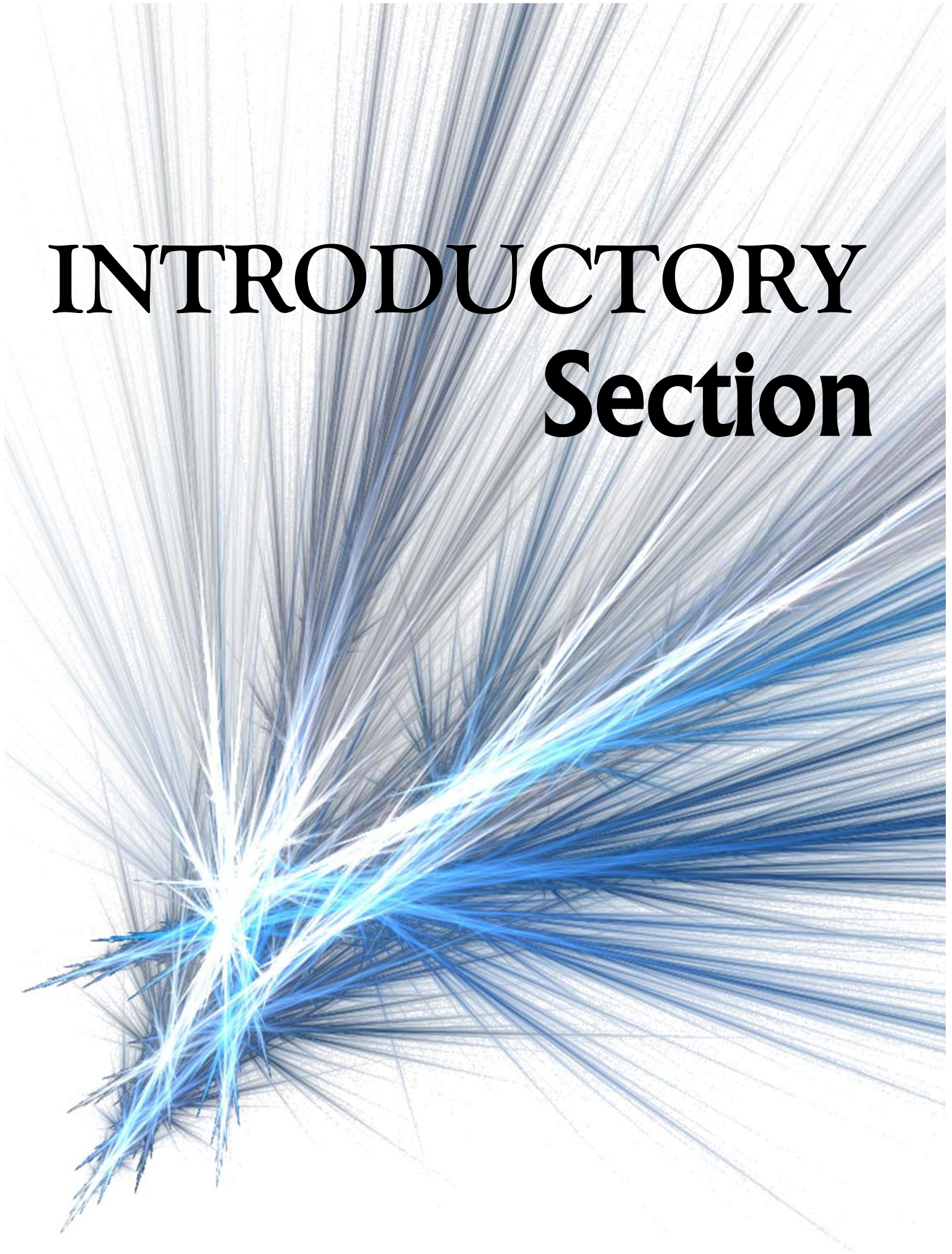
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INTRODUCTORY Section





June 23, 2012

To the Citizens of the City of Winfield, Kansas
Honorable Mayor and City Commissioners

This document is the Comprehensive Annual Financial Report (CAFR) of the City of Winfield, Kansas for the year ended December 31, 2011. This report was prepared by the city's finance department. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the management of the City. We believe the report, as presented, is accurate in all material respects. We also believe it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. Finally, we believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes a description of the City, including services provided, and explanation of the City's accounting system and budgetary controls, and a brief discussion of the city's economic condition and outlook. The City's organizational chart is also included to assist the reader in understanding the structure of the city. The financial section includes the independent auditor's report, Management's discussion & analysis, Government-wide financial statements, fund financial statements, notes to the financial statements, and individual and combining statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The reader is specifically directed to Management's Discussion and Analysis (MD&A) which immediately follows the independent auditor's report. MD&A provides a narrative explanation and overview of significant features and trends reflected by data in the financial statements.

Management of the City is responsible for establishing and maintaining an internal control structure to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The cost of the internal controls should not outweigh their benefits. Thus, the City of Winfield's internal controls are designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

Kansas statute 75-1122 requires an annual audit of all funds of the City by independent certified public accountants. The firm of Edw. B. Stephenson & Co. issued an unqualified opinion on the City of Winfield's financial statements for the year ended December 31, 2011. The independent auditor's report is located on page A-1 in the Financial Section of this report.

Profile of the Government

The City of Winfield, incorporated in 1873, has a population of 12,301 has an incorporated area of 12.35 square miles. Winfield is located in south central Kansas, less than an hour away from Wichita, and two hours from Tulsa and Oklahoma City. Winfield serves as the county seat for Cowley County, population approximately 36,000.

The City is unique in providing a full range of municipal utility services to its citizens, including electric and gas utilities, water, wastewater, and sanitation services. Other municipal services include police and fire protection, construction and maintenance of streets, drainage facilities and other infrastructure, recreation and cultural activities, a municipal golf course, community and industrial development, planning and zoning, building inspection, cemetery operations and maintenance, general administration, and internal support services. The City provides a pick-up recycling program to its citizens, along with composting site facilities, available at no charge to area residents. In addition, library services, emergency medical services, and low-income housing are provided by component units of the City. Additional information on the component units can be found in Note 1.A. in the notes to the financial statements.

The City of Winfield operates under a Commission/Manager form of government. One member of the three-member commission is elected annually by the Commission to act as Mayor. The City Manager is appointed by the City Commission and is responsible to them for the management of all City employees and administration of all City affairs. Regular city elections are held in odd years. The person receiving the largest number of votes is elected to a four-year term and the person receiving the second largest number of votes is elected to a two-year term.

Expenditures are authorized by a budget approved by the City Commission as required by State statute. The State statute level of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is established at an individual fund level, but is monitored by department within each fund. The finance department continually reviews and approves all significant deviations from budget authorizations. The Kansas cash basis and budget laws requires cash be on hand before an expenditure is authorized, that all expenditures be budgeted (unless specifically exempted by statute), and that the budget not exceed anticipated revenues, including carry forward balances. Budget-to-actual comparisons are provided in this report for each individual fund in which an adopted annual operating budget is required by Kansas statute.

Economic Condition and Outlook and Major Initiatives

The intersection of U.S. Highway 160 and Interstate I-35 is located in the center of Winfield. The cities of Arkansas City and Winfield jointly own Strother Field Airport and Industrial Park, located less than seven miles from Winfield.

Many of the county area's employers have work forces consisting of residents of both the City of Winfield and the city of Arkansas City, located twelve miles to the south of Winfield. Manufacturing and services are the largest sectors of employment in Cowley County.

Rubbermaid began an expansion of its Winfield facilities in late 2011, relocating work that had been done in a Greenville, Texas facility. Rubbermaid currently employees 550+ people, and estimates an additional 200 production workers will be hired in 2012. Capacity at the facility will be increased to add manufacturing of Rubbermaid outdoor refuse and home organization products.

Gottlob Business Park was established in early 2012, a 100 acre area adjacent to the existing Winfield and Utt Industrial Parks. Forty acres were purchased by Insite, LLC, to construct a 500,000 square feet distribution center, to be leased to Rubbermaid. The project is set to be completed in late 2012. The remaining 60 acres of the park are owned by the city, and is available for future industrial development.

Southwestern College, a private liberal arts four year institution established in 1885, has an estimated enrollment of over 1,500 students. Southwestern has made major infrastructure improvements to its facilities in the last two years, including a \$4.8 million renovation of the football stadium and the Richardson auditorium.

The Prairieland Partners John Deere dealership began a 23,000 square foot expansion in 2011 of its Winfield facility, at an estimated \$1.425 million cost.

MetroPlains Development purchased the Baden Hall building from the City in 2011, for a complete renovation of the 1984 five-story building. The building was opened for use in late 2011, as 24 newly constructed 1, 2, and 3 bedroom apartments for low to moderate income tenants.

The City continues to make annual sidewalk and other infrastructure improvements, related to ADA compliance requirements.

2011 sales tax receipts increased 7.7% over the 2010 sales tax collections. Real estate property assessed valuation decreased 0.12% from 2010 to 2011, reflecting steady property values. The City issued six single-family home permits, and a total of \$13.2 million of building permits in 2011. This is comparable to the 2010 statistics of eight single-family permits and \$8.3 million of building permits. Winfield was not shielded from the struggling national economy in late 2008 and through 2009. Mid 2009 unemployment peaked at 8.2%, compared to the January 2008 rate of 4.0%. The 2010 and 2011 years have showed turnaround. At the end of 2011, Cowley County unemployment was at 6.2%, dropping to 5.7% at the end of April 2012.

City Business and Financial Planning

The City annually revises the current year's budget during preparation of the upcoming year budget, to provide internal management with better oversight. Additionally, the City maintains a five year projected budget for its Capital Improvement Fund, for internal purposes.

The City manages its finances with a long term perspective. Reacting to the ongoing cutbacks in state funding, the City increased fees for many of its fee-based services. The City has resisted tax increases in the past several years to cover ongoing services, instead looking at long term efficiencies and alternatives. The City had been able to sustain a level mill levy in dollars for a decade, though actual levies fluctuated slightly with changes in assessed valuation. The 2012 budget levies the same dollars as the 2011 budget. The City monitors its utility funds' cash balances and future capital needs. Rate increases, when necessary, are designed to cover long term needs of the utility.

The City had numerous large capital projects in the years 1998 through 2008, that have provided long term 'quality of life' enhancements, and to maintain necessary city infrastructure. Years 2009 -2012 are viewed as stabilization years. The city-wide debt load has dropped from approximately \$29.5 million at the end of 2006 to \$20.7 million at the end of 2011.

The City's insurance and self-insurance programs have been funded and administered as part of the City's Risk management. Funds are maintained in a reserve funds as authorized in Kansas Statutes. Additionally, the City maintains insurance policies and bonds as detailed in the Additional Information Section of this report. The City transitioned to full workers' compensation coverage in 2011, through the Kansas Eastern Region Insurance Trust group (KERIT).

Cash Management Policies and Practices

The City maintains its cash and investments under a pooled concept. This mechanism enhances the city's investment possibilities. The City requests competitive bids on all investments in accordance with K.S.A. 12-1675. Idle funds are used to purchase certificates of deposit or other allowable investments, with maturities scheduled to meet anticipated cash flow requirements. During 2011, an average of \$10.3 million was invested for an average of 118 days, at an average rate of 0.29%.

Certificate of Achievement and Acknowledgments

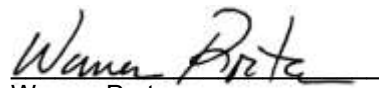
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Winfield for its comprehensive annual financial report for the year ended December 31, 2010. This was the eleventh consecutive year that the City has received this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

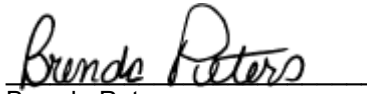
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the assistance of numerous persons both in and out of local government. The firm of Edw. B. Stephenson & Co, CPAs Chartered, provided independent audit services. Specific appreciation is expressed to the dedicated staff of the City accounting department. We would also like to thank members of the other City departments who assisted and contributed to this report. Finally, preparation of this report would not be possible without the support of the City Commission. We express special appreciation to them for their leadership in planning and conducting the financial operations of the City in a professional, responsible and progressive manner in the best interests of the residents of Winfield.

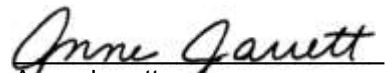
Respectfully submitted,



Warren Porter
City Manager



Brenda Peters
City Clerk



Anne Jarrett
Director Finance/City Treasurer

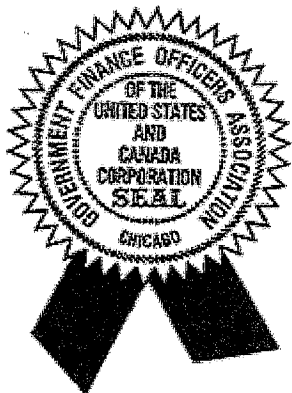
Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Winfield
Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Sandison

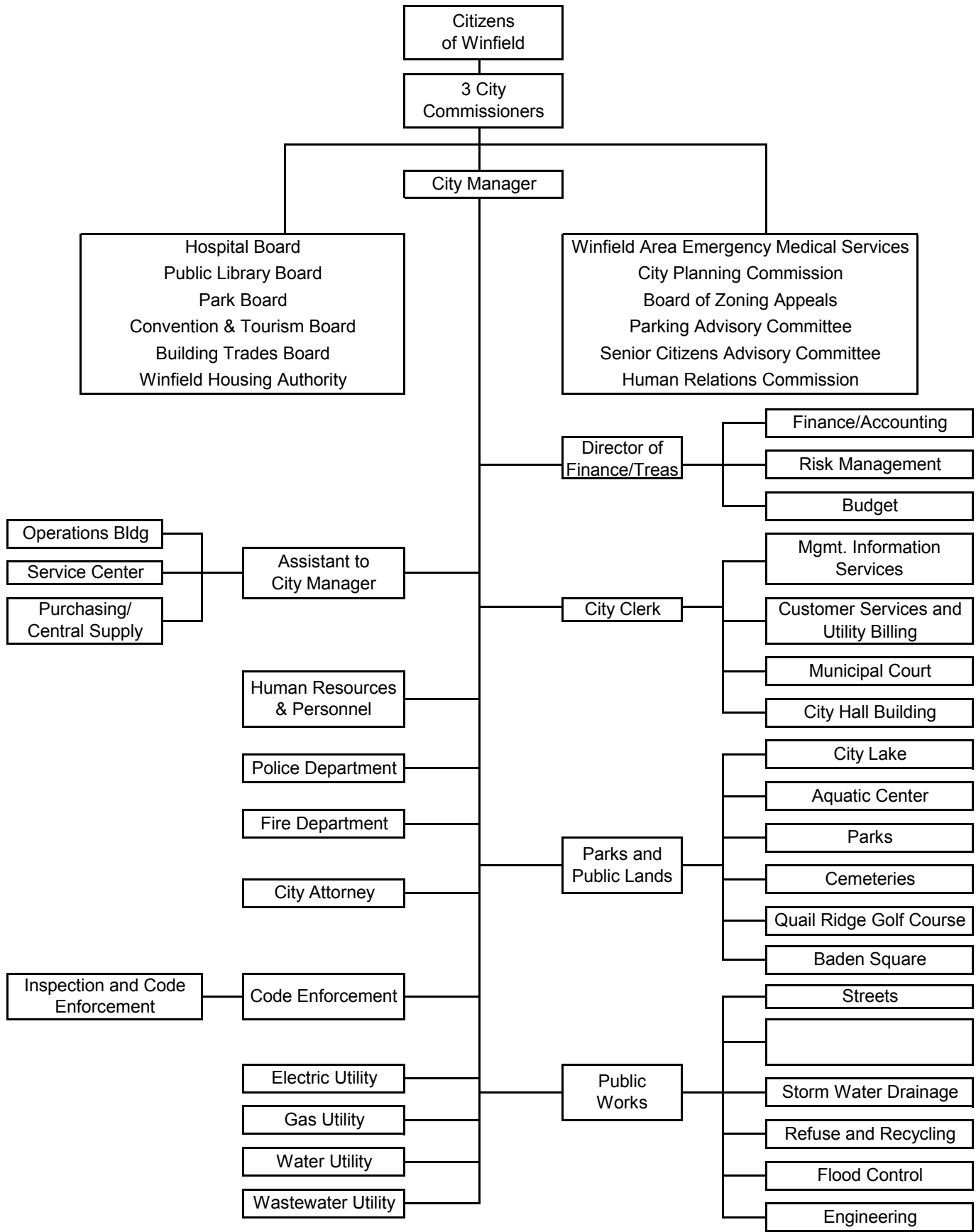
President

Jeffrey R. Emer

Executive Director

CITY OF WINFIELD, KANSAS

ORGANIZATIONAL CHART



CITY OF WINFIELD, KANSAS
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2011

Mayor	Taggart L. Wall
City Commissioner	G. Thomas McNeish
City Commissioner	Gregory N. Thompson
City Manager	Warren Porter
City Attorney	William Muret
Assistant to the City Manager	Gary Mangus
City Clerk	Brenda Peters
Director of Finance/City Treasurer	Anne Jarrett
Interim Fire Chief	Alan Stoll
Police Chief	Danny Parker
Director of Public Works/Engineering	Russell A. Tomevi
Director of Community Development	Patrick Steward
Municipal Judge	Thomas D. Herlocker
Director of Electric and Water Utilities	Robert Porter
Interim Director of Gas and Wastewater Utilities	Warren Porter
Director of Parks and Public Lands	Mark Olney



FINANCIAL Section

Basic Financial Information

**EDW. B
STEPHENSON
& CO., CPAs
CHARTERED**

EDW. B. STEPHENSON
(1905-1985)

JAMES R. DOBBS
(1927-1997)

HARRY L. SHETLAR, JR.
(1931-2000)

MORRIS W. JARVIS
(1935-1999)

N. DEAN BRADBURY
(1936-2005)

LOREN L. PONTIOUS
(Retired)

SHAREHOLDERS

MAURICE P. ROBERTS, CPA

AARON R. IVERSON, CPA

MICHAEL B. NORTON, CPA

ACCOUNTANTS

MELISSA J. SCHOOLEY

SARAH M. KINDT

INDEPENDENT AUDITORS' REPORT

To the City Manager, and City Council
City of Winfield
Winfield, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Winfield, Kansas, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements, as listed in the Table of Contents. These financial statements are the responsibility of the City of Winfield, Kansas' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Winfield, Kansas, as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, required supplementary information, and other supplementary information as listed in the Table of Contents, be presented to supplement the basic financial Statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of

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management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Winfield, Kansas financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements of the City of Winfield, Kansas. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on such information.

Edw. B. Stephenson & Co. CPAs Ltd.

Winfield, Kansas
June 22, 2012

Management's Discussion and Analysis

The following discussion and analysis of the City of Winfield's financial performance provides an overview of the City financial activities for the fiscal year ended December 31, 2011. The management discussion and analysis is presented in conjunction with the transmittal letter at the front of this report and the City of Winfield's financial statements, which follow this section.

Financial Highlights for 2011

- The City's total net assets increased during the fiscal year ended 2010, approximately \$1.27 million, or 1.8 percent.
- The cost of governmental activity in 2011 was \$10.3 million, equal to the cost from 2010. The amount of that paid by taxpayers through either property taxes or sales taxes was \$5.9 million, or 57 percent.
- Non-current liabilities in the governmental activities decreased by \$1.522 million from 2010 to 2011.
- Non-current liabilities in the business type activities decreased by \$844 thousand from 2010 to 2011.
- No new debt was issued in 2011.
- The general fund, on a current financial resource basis, reported \$183 thousand of revenues and other financing sources in excess of expenditures and other financing uses.
- On December 31, 2011, the General Fund reported a budgetary fund balance of \$196,998, amounting to 0.22 percent of the following year's appropriated budget.

Overview of the Financial Statements

The Comprehensive Annual Financial Report consists of three sections: Introductory, financial, and statistical. The financial statements include government-wide financial statements, fund financial statements and notes to the financial statements. Supplementary information, provided in addition to the basic financial statements, is located in the sections titled Supplemental information and Statistical Section.

The City presents two kinds of statements, each providing a different snapshot of the City's finances. The reporting focus is on both the City as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on the individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. Both perspectives allow the user to address relevant questions, broaden the basis of comparison and enhance the City's accountability.

Government-wide Financial Statements

The government-wide statements are prepared using accounting methods similar to those used by private-sector businesses. The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets can be monitored to determine whether the City's financial position is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets (current year's revenues and expenses) are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The Statement of Net Assets and the Statement of Activities are divided into three types of activities:

- Governmental activities – are principally supported by taxes and intergovernmental revenues. Most of the City's basic services are reported in governmental activities: police, fire, public works, streets, and stormwater drainage, cemetery, parks and recreation, health, and general administration.
- Business-type activities – are functions that are intended to recover all or a portion of their costs through user fees and charges. They include these City activities: electric production and distribution, gas distribution, water purification and distribution, refuse collection, wastewater collection and treatment, and the municipal golf course.

- Component units – The Winfield Public Library, Winfield Area Emergency Medical Services, and the Winfield Public Housing Authority are presented as component units of the City of Winfield. Complete financial statements of those individual component units can be obtained from their respective administrative addresses:

Winfield Area EMS
1300 East 5th
Winfield, KS 67156

Winfield Public Library
605 College
Winfield, KS 67156

Winfield Housing Authority
1417 Pine Terrace
Winfield, KS 67156

The government-wide financial statements can be found on pages A-13 through A-15 of this report.

Fund Financial Statements

A fund is a fiscal entity with a set of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Winfield, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide more information about the City's most significant funds – not the City as a whole. All of the funds of the City of Winfield can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- *Governmental fund* financial statements are prepared on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and other similar items which are recorded when due. The focus, therefore, is on the short-term financial picture of the operations reported, rather than the city as a whole. Most of the city's basic operations are reported in the governmental fund financial statements. The information in the government-wide statements can be compared to the governmental activities information in the government-wide statements. The reconciliation at the end of the fund financial statements details the relationship between the two types of financial statements.

The City of Winfield maintained 25 individual governmental funds in 2011. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Improvements Fund, and the Debt Service Fund, all considered to be major funds. Information from the other 22 governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements beginning on page B-1.

The City of Winfield adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund on page A-21 to demonstrate compliance with the appropriated budget.

Proprietary funds fall into two categories: enterprise funds and internal service funds. All proprietary funds are prepared on the accrual basis of accounting. Enterprise funds are used to account for business-type activities. Enterprise fund statements present the same information that is in the government-wide statements for business activities, only in greater detail. The city's electric, gas, water, sewer, and refuse utilities, stormwater drainage, and the golf course are accounted for as enterprise funds. Internal service funds are used to account for the cost of operations shared by various functions of the City. The City uses seven internal service funds to account for its internal functions: risk management, workers compensation reserve, health insurance, management services, short term disability, and fleet services. A combining statement of these internal service funds can be found in the supplementary information following the notes to the financial statements. In the government-wide statements, the internal service funds are presented 50% in the business-type activities and 50% in the governmental type activities, mirroring the usage of those funds.

Fiduciary funds are used by the City to account for resources held by the city for the benefit of a third party. The City's fiduciary funds include the Sales tax agency fund, the payroll claims agency fund, and the fire insurance proceeds fund. Because the resources of these funds are not available for the city's operation, they are not presented in the government-wide financial statements. A combining statement can be found in the supplementary information following the notes to the financial statements.

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used. The City has one permanent fund: the Cemetery endowment fund.

Financial Analysis of the City

Net assets of the primary government – Over time, net assets can serve as a useful indicator of the City's financial position. In accordance with GASB Statement No. 34, Table 1 summarizes net assets of the City of Winfield.

Table 1

City of Winfield, Kansas
Net Assets
As of December 31, 2011
(with comparative totals for December 31, 2010)
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Cash and investments	\$ 2,775	\$ 3,049	\$ 7,598	\$ 6,160	\$ 10,373	\$ 9,209
Other assets	7,391	7,432	6,079	5,641	13,470	13,073
Capital assets	27,059	27,698	48,230	50,239	75,289	77,937
Total assets	37,225	38,179	61,907	62,040	99,132	100,219
Long-term liabilities	9,851	11,321	9,134	9,982	18,985	21,303
Other liabilities	5,984	5,721	3,175	3,474	9,159	9,195
Total liabilities	15,835	17,042	12,309	13,456	28,144	30,498
Net assets:						
Capital assets, net of debt	16,254	15,222	38,560	39,238	54,814	54,460
Restricted	957	1,101	-	200	957	1,301
Unrestricted	4,179	4,814	11,038	9,146	15,217	13,960
Total net assets	\$ 21,390	\$ 21,137	\$ 49,598	\$ 48,584	\$ 70,988	\$ 69,721

The City's net assets increased \$1.27 million from 2010 to the end of 2011. Approximately 77 percent of the City's net assets reflect investment in capital assets (e.g. land, buildings, improvements, equipment), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently the capital assets are not available for future spending. An additional portion of these assets (1 percent) represents resources that are subject to external restrictions on how they may be spent. The unrestricted portion of total net assets is \$15 million, or 22 percent, available to meet the city's ongoing obligations.

Governmental activities - The governmental activities portion of unrestricted net assets totals \$4.3 million, or 20 percent of total governmental activities net assets. Capital assets, net of related debt, comprise 75 percent of total governmental activities net assets. Long-term liabilities decreased by \$1.5 million from 2010 to 2011. No new debt was issued in 2011, and the City paid down outstanding debt.

Business-type activities – The business-type activities portion of unrestricted net assets total \$11 million, or 22 percent of total business-type activities net assets. Capital assets, net of related debt, comprise 78 percent of the total net assets. Long-term liabilities decreased by \$844 thousand from 2010 to 2011.

Table 2, below, summarizes total City revenues and expenses for the fiscal year ending December 31, 2011:

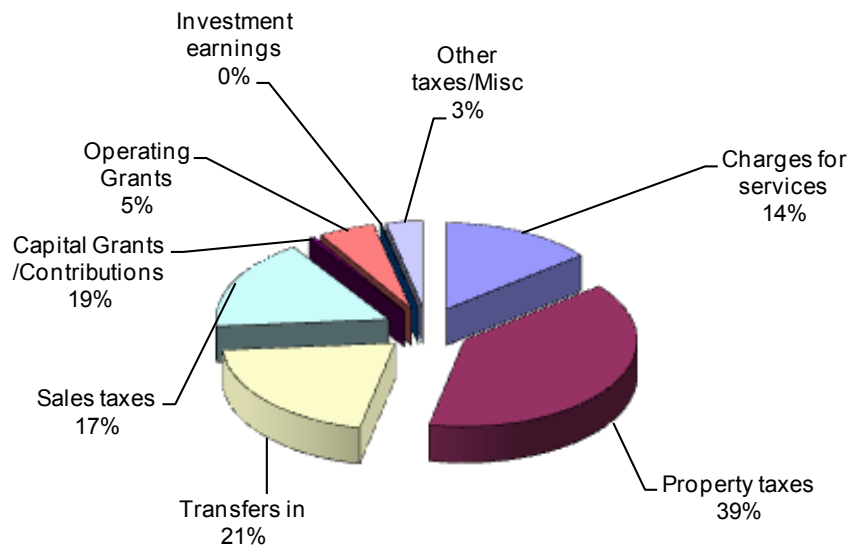
Table 2

City of Winfield, Kansas
Changes in Net Assets
As of December 31, 2011
(with comparative totals for December 31, 2010)
(in thousands of dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Gov't</u>	
Revenues	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Program revenues:						
Charges for services	\$ 1,509	\$ 1,496	\$ 35,751	\$ 32,938	\$ 37,260	\$ 34,434
Operating grants and contributions	553	641	-	-	553	641
Capital grants and contributions	56	13	113	798	169	811
General revenues:						
Property taxes	4,134	3,995	-	-	4,134	3,995
Sales taxes	1,803	1,651	-	-	1,803	1,651
Franchise fees	198	218	-	-	198	218
Other taxes	146	172	-	-	146	172
Miscellaneous income	19	-	-	-	19	-
Investment interest	10	22	20	36	30	58
Total revenues	<u>8,428</u>	<u>8,208</u>	<u>35,884</u>	<u>33,772</u>	<u>44,312</u>	<u>41,980</u>
Expenses						
General government	1,284	1,378	-	-	1,284	1,378
Public safety	4,493	4,486	-	-	4,493	4,486
Public works	1,392	1,392	-	-	1,392	1,392
Cemetery	146	165	-	-	146	165
Culture and recreation	2,045	1,910	-	-	2,045	1,910
Health and welfare	342	334	-	-	342	334
Economic development	186	149	-	-	186	149
Interest on debt	452	500	-	-	452	500
Electric	-	-	22,331	21,108	22,331	21,108
Gas	-	-	4,161	4,434	4,161	4,434
Water	-	-	2,355	2,318	2,355	2,318
Refuse	-	-	1,247	1,200	1,247	1,200
Wastewater	-	-	1,849	1,865	1,849	1,865
Golf course	-	-	762	814	762	814
Total expenses	<u>10,340</u>	<u>10,314</u>	<u>32,705</u>	<u>31,739</u>	<u>43,045</u>	<u>42,053</u>
Excess before transfers, special items, and prior year restatements	(1,912)	(2,106)	3,179	2,033	1,267	(73)
Transfers	2,165	1,957	(2,165)	(1,957)	-	-
Restatements	-	327	-	1,102	-	1,429
Increase (decr) in net assets	<u>\$ 253</u>	<u>\$ 178</u>	<u>\$ 1,014</u>	<u>\$ 1,178</u>	<u>\$ 1,267</u>	<u>\$ 1,356</u>

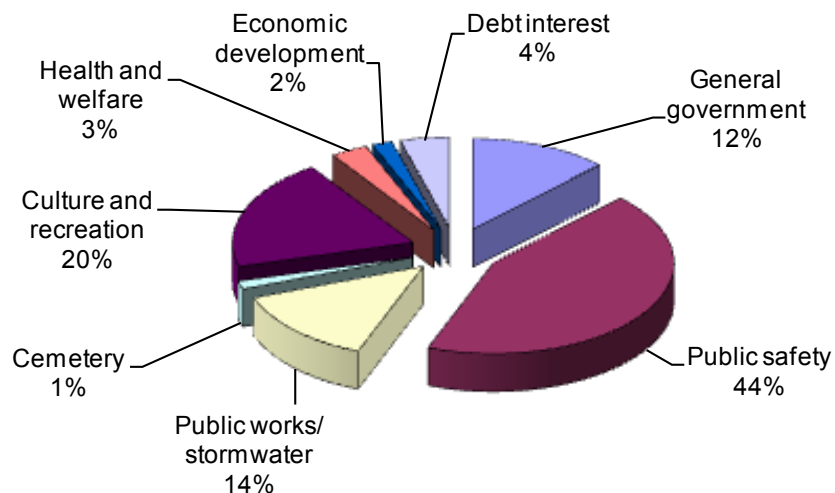
Governmental Activities - As indicated above, governmental net assets increased by \$253 thousand in 2011. Total governmental expenses increased less than one-half of a percent, while revenues increased \$220 thousand, 2.7% from 2010.

Sources of Revenue - Governmental Activities



Major sources of revenue of the governmental activities continue to be property, sales, and other taxes, as illustrated in the above graph. Property taxes comprised \$4.1 million, or 39 percent of the City's governmental activities 2011 revenue. 'Other taxes' includes alcohol beverage, franchise, and transient guest taxes. The electric, gas, water, and refuse funds pay the general fund 'in lieu of' franchise fees, a set percentage of gross revenues, similar to what would be assessed third-party utility companies supplying services to Winfield citizens. These are reflected as transfers in the above chart. Operating grants included primarily public works and public safety operational and maintenance funding through the State of Kansas. Capital grants and contributions include special assessments, contributions, and federal grants revenues.

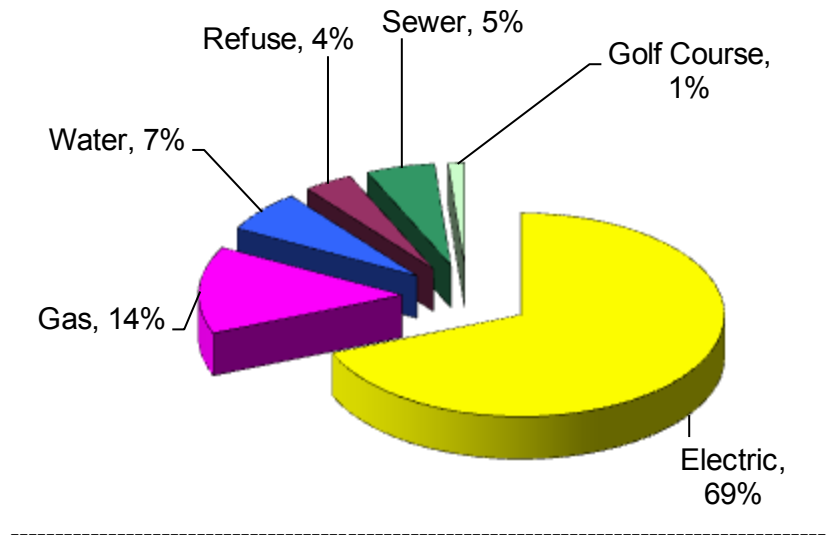
Functional Expenses - Governmental Activities



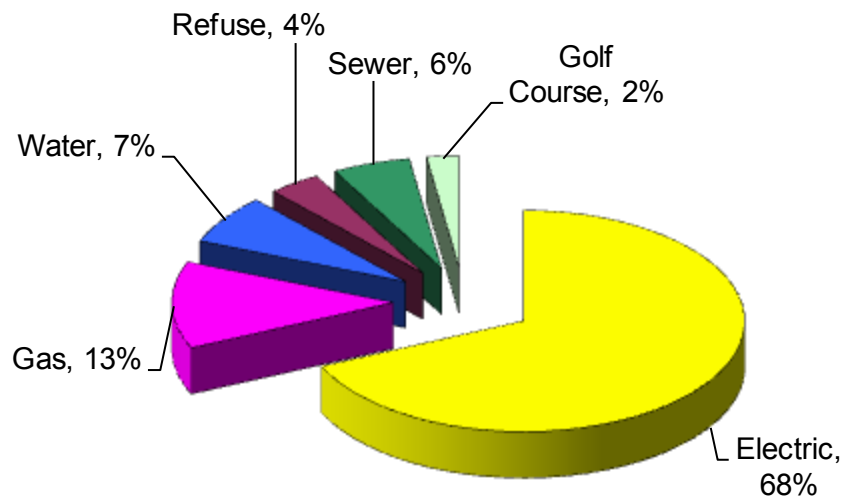
Public safety expense continues to represent the largest governmental expense, \$4.5 million, or 4 percent of the City's total governmental expenses of \$10.3 million.

Business-type activities - The City operates five utilities and a municipal golf course. Combined, the electric and gas utilities comprise 81 percent of the total business-type activity charges.

Program Revenues - Business Type Activities



Program Expenses - Business Type Activities



Highlights in the business-type activities area include:

- For business-type activities, 2011 overall expenses increased slightly, \$966 thousand, from 2010, and program revenues increased \$2.1 million.
-
- Electric kwh sales increased 1.4% over 2010, due to the unusual summer heat and the increase in industry usage. 2011 operating income in the electric utility fund was \$2.4 million.
- Water gallons sales increased over 10% from 2010, again due to the hot dry summer months. This followed three consecutive years of unusually wet weather, and accompanying depressed water sales. 2011 operating income in the water utility fund was \$179 thousand.

- Gas MCF sales remained stable, decreasing 0.2% in 2011. Net operating income of the gas fund was \$935 thousand in 2009 and \$1 million in 2010. 2011 operating income in the gas utility fund was \$810 thousand.
- The wastewater utility fund incurred a \$214 thousand operating profit in 2011. The City has increased sewer user charges in early 2008, rates to increase over a five year period, for the purpose of funding KDHE debt for wastewater treatment plant improvements.

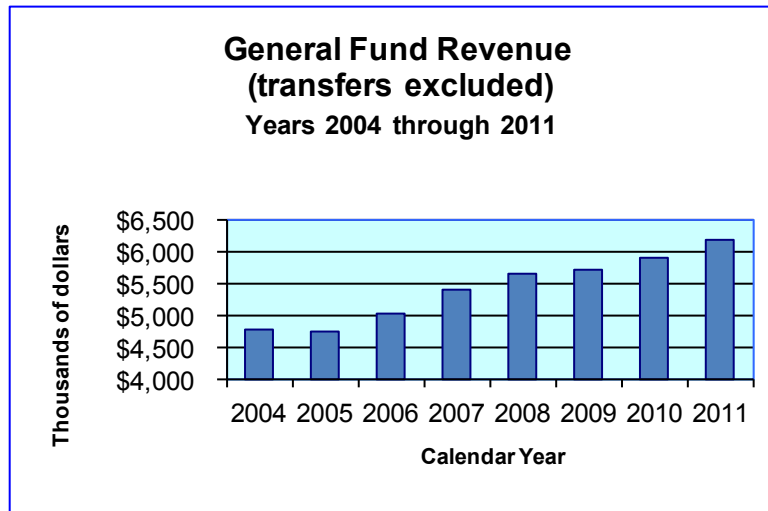
Financial Analysis of the Government's Funds

As noted earlier, the City of Winfield uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the City of Winfield's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Winfield's financing requirements.

As of the end of the fiscal year ending December 31, 2011, the City's governmental funds reported a combined ending fund balance of \$1.8 million, a decrease of \$210 thousand in comparison to the prior year. Approximately 23 percent of this total amount, \$418 thousand, constitutes unassigned fund balance, available for spending at the City's discretion. The remainder of fund balance is restricted for specific purposes, 54 percent, or committed by management for specific purposes, 23 percent.

General Fund - The general fund is the major operating and taxing fund for the City of Winfield. At the close of 2011, the general fund balance was \$438 thousand, compared to \$255 thousand at the close of 2010. Excluding transfers to and from the general fund and the debt payments related to a 2006 purchase of a \$1 million fire truck, the overall general fund expenditures increased less than 1 percent from 2010, while revenues increased 5 percent.



Major revenue sources in the General fund include:

- Property taxes collected were \$2.76 million. Property tax collections were 102 percent of projected revenues in 2011. The 2011 City mill levy increased levy approximately 2 mills from 2010.
- Sales tax collected amounts to \$1.8 million, exceeding projected revenues by 5 percent. Sales tax collections were indicative of an upturn in the local economy.
- In 2011, total 'in lieu of' franchise fees from the other utilities increased 5 percent, \$103 thousand over the prior year, due to the electric and water utilities' gross revenues increase. These amounts are treated as inter-fund transfers in the financial statements.

General funds expenditures, excluding transfers, totaled \$6.9 million, less than 1 percent above 2010 amounts. Below is a historical trends summary by function of general fund expenditures.

General Fund Expenses by Function
Years 2004 through 2011
(dollars in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	8 Yr Average Annual Growth
General gov't	\$ 933	\$ 607	\$ 837	\$ 823	\$ 768	\$ 810	\$ 782	\$ 820	0.2%
Public safety	3,195	3,485	4,670	3,858	4,378	4,223	4,273	4,250	4.5%
Cemetery	131	142	131	140	142	134	138	154	2.2%
Culture/recreation	1,040	1,240	1,083	1,072	1,178	1,079	1,207	1,251	2.8%
Health and welfare	315	311	290	290	294	320	315	302	-0.4%
Economic development	22	6	16	15	10	10	10	10	6.8%
Debt service	10	-	-	126	126	126	126	126	0.0%
	<u>\$ 5,646</u>	<u>\$ 5,791</u>	<u>\$ 7,027</u>	<u>\$ 6,324</u>	<u>\$ 6,896</u>	<u>\$ 6,702</u>	<u>\$ 6,851</u>	<u>\$ 6,913</u>	2.9%

Capital Improvements Fund – The capital improvements fund's primary revenue source is a one-half cent city sales tax. Funds were used for projects and for debt payments on prior years' projects. The year end fund balance of \$171 thousand is a decrease of 39 percent, compared to the 2010 year end fund balance of \$279 thousand.

Debt Service Fund - The debt service fund's fund balance increased 20 percent to \$158,727 at the end of 2011. 9.661 mills generated \$702 thousand of property taxes for fund in 2011. This mill levy has maintained a relatively stable level over the last ten years, varying from 9.189 to 11.747 mills.

Other Governmental Funds – Other governmental funds' fund balance was \$1,059,657, at the end of 2011, a decrease of \$312,767 from the prior year. \$248,000 of the decrease was related to the sale of the Baden Hall building, which was sold to a developer in 2011, and renovated to a 24-unit apartment building. The City had accumulated \$248,000 from prior years' private contributions, towards the renovation.

General Fund Budgetary Highlights

Actual revenue sources in 2011 totaled 102 percent of the original 2011 budget. Revenue highlights are discussed above under 'General Fund'. Overall 2011 expenditures increased 2.7 percent over 2010. The City's unencumbered fund balance in the general fund at December 31, 2011 was \$198,998, equivalent to 0.24 percent of the 2011 general fund budgetary basis expenditures. The 2011 general fund budget was amended by city commission by approximately \$74 thousand, to allow for transfer of budgeted but unspent capital outlay equipment dollars to the equipment reserve fund.

Capital Assets

At the end of 2011, the City had \$75 million invested, net of depreciation, in a broad range of capital assets used in both governmental and business-type activities, summarized below:

Table 3

**City of Winfield, Kansas
Assets, Net of Depreciation
As of December 31, 2011
(with comparative totals for December 31, 2010)
(in thousands of dollars)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Land	\$ 1,903	\$ 1,903	\$ 827	\$ 827	\$ 2,730	\$ 2,730
Infrastructure/ other improvements	16,224	16,004	31,528	31,976	47,752	47,980
Construction	40	39	10	-	50	39
Buildings and improvements	6,229	6,302	5,329	5,772	11,558	12,074
Equipment	2,663	3,450	10,536	11,664	13,199	15,114
Total	<u>27,059</u>	<u>27,698</u>	<u>48,230</u>	<u>50,239</u>	<u>75,289</u>	<u>77,937</u>

Government-wide capital assets, net of depreciation, decreased 2 percent in 2011. In business-type activities, capital assets, net of depreciation, decreased 3 percent during 2011. The minor decreases are primarily because no sizable capital projects or asset purchases were made in 2011. Additional information regarding the City of Winfield's capital assets can be found in note 8, page A-47 of this report.

Long-term Debt

At the end of 2011, the City had total long-term debt of \$21 million, \$2.4 million due within the next year. Of the total debt, \$20.2 million is backed by the full faith and credit of the government, although the City's intent is to use water and sewer utility revenues to repay \$9.7 million of that \$20.2 million.

The City did not issue any new debt in 2011. City officials have taken a conservative stance in 2010 and 2011, using those years to reduce total debt, and create a fiscal position to fund future projects and infrastructure improvements. Additional information on the city's long-term debt can be found in Note 11, pages A-48 through A-54 of this report.

Economic Factors and Next Year's Budgets

County unemployment rates as of December 31, 2011 and April 30, 2012 were 6.2% and 5.7%, respectively. Comparable national unemployment rates were 8.5% and 8.1%, and comparable Kansas state-wide unemployment rates were 6.3% and 6.1%. The City of Winfield and surrounding Cowley County were not insulated from significant job losses in the nationwide recession. While the county's various light manufacturing industries were affected negatively by the recession in 2009, the years 2010 and 2011 have shown a rebound. Using utility usage as an indicator, industry kwh has returned to about 97% of the 2008 pre-recession usage. The value of building permits in 2011 was \$13.2 million, an increase from 2010's value of \$8.3 million, 476 permits were issued in 2011, compared to 381 permits issued in 2010.

The City of Winfield continues to partner with other local governments and the private sector to maintain local economic efforts. The 2012 budget reflects a 2 percent increase in budgeted expenditures over 2011 amounts, and 2012 revenues are anticipated to remain steady in comparison to 2011 amounts.

Requests for Information

This financial report is designed to provide a general overview of the City of Winfield's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, P.O. Box 646, Winfield, KS 67156.

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CITY OF WINFIELD, KANSAS

STATEMENT OF NET ASSETS DECEMBER 31, 2011

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Pooled cash and investments	\$ 2,774,902	\$ 7,597,834	\$ 10,372,736	\$ 701,973
Receivables:				
Taxes	3,730,636	-	3,730,636	-
Special assessments	2,860,233	-	2,860,233	-
Economic development receivable	248,000	-	248,000	-
Utilities	-	4,171,794	4,171,794	-
Accounts	42,198	44,500	86,698	109,113
Due from other governmental agencies	113,404	-	113,404	107,446
Due from component units	18,625	-	18,625	-
Inventories and prepaids	170,197	1,709,144	1,879,341	21,047
Deferred costs	207,548	96,111	303,659	-
Capital assets, not being depreciated	1,943,126	837,527	2,780,653	52,776
Capital assets, net of accumulated depreciation	25,116,000	47,392,931	72,508,931	2,062,013
Other investments	-	11,957	11,957	-
Other investments-restricted	-	-	-	12,317
Investment in joint venture	-	45,817	45,817	-
Total assets	<u>37,224,869</u>	<u>61,907,615</u>	<u>99,132,484</u>	<u>3,066,685</u>
Liabilities				
Deficit cash	-	-	-	15,386.00
Accounts payable	396,493	1,973,905	2,370,398	87,666
Accrued interest payable	84,496	88,281	172,777	-
Unearned revenues	3,782,248	-	3,782,248	-
Long-term liabilities				
Due within one year	1,773,124	1,109,233	2,882,357	-
Due in more than one year	9,799,087	9,137,921	18,937,008	-
Due within one year to primary government	-	-	-	17,895
Due in more than one year to primary government	-	-	-	30,428
Total liabilities	<u>15,835,448</u>	<u>12,309,340</u>	<u>28,144,788</u>	<u>135,989</u>
Net Assets				
Net investment in capital assets	16,253,622	38,560,011	54,813,633	2,083,129
Restricted for:				
Capital projects	127,994	-	127,994	107,446
Enabling legislation	663,551	-	663,551	-
Debt service	158,727	-	158,727	17,895
Cemtery Endowment - nonexpendable	6,000	-	6,000	-
Unrestricted net assets	<u>4,179,527</u>	<u>11,038,264</u>	<u>15,217,791</u>	<u>722,226</u>
Total net position	<u>\$ 21,389,421</u>	<u>\$ 49,598,275</u>	<u>\$ 70,987,696</u>	<u>\$ 2,930,696</u>

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2011

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,284,081	\$ 351,445	\$ 117,000	\$ -
Public safety	4,493,341	217,361	12,257	27,051
Public works/stormwater	1,392,216	149,761	421,517	-
Cemetery	145,656	70,245		600
Culture and recreation	2,044,763	532,471	2,532	28,000
Health and welfare	341,963	187,630	-	-
Economic development	185,683	-	-	-
Debt interest and related cost	452,192	-	-	-
Total governmental activities	10,339,895	1,508,913	553,306	55,651
Business-type activities:				
Electric	22,331,177	24,623,166	-	70,650
Gas	4,160,674	4,955,953	-	7,522
Water	2,354,597	2,375,968	-	22,908
Refuse	1,247,376	1,394,287	-	-
Wastewater	1,849,088	1,942,758	-	12,150
Golf course	762,407	459,404	-	-
Total business-type activities	32,705,319	35,751,536	-	113,230
Total primary government	\$ 43,045,214	\$ 37,260,449	\$ 553,306	\$ 168,881
Component Units:				
Winfield Public Library				\$ -
Winfield Area EMS				-
Winfield Housing Authority				-
Total component units	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

General revenues:

Property taxes
 Sales taxes
 Investment earnings
 Transient guest taxes
 Franchise taxes
 Alcohol beverage taxes
 Miscellaneous
 Payments from City of Winfield
 Transfers - In lieu of transfer payments from utilities
 Transfers
 Total general revenues and transfers

Change in net assets

Net assets - beginning
 Prior year adjustment
 Net assets - beginning, adjusted

Net assets - ending

See accompanying notes to financial statements

Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (815,636)	\$ -	\$ (815,636)	\$ -
(4,236,672)	-	(4,236,672)	-
(820,938)	-	(820,938)	-
(74,811)	-	(74,811)	-
(1,481,760)	-	(1,481,760)	-
(154,333)	-	(154,333)	-
(185,683)	-	(185,683)	-
(452,192)	-	(452,192)	-
<u>(8,222,025)</u>	<u>-</u>	<u>(8,222,025)</u>	<u>-</u>
-	2,362,639	2,362,639	-
-	802,801	802,801	-
-	44,279	44,279	-
-	146,911	146,911	-
-	105,820	105,820	-
-	(303,003)	(303,003)	-
<u>-</u>	<u>3,159,447</u>	<u>3,159,447</u>	<u>-</u>
<u>\$ (8,222,025)</u>	<u>\$ 3,159,447</u>	<u>\$ (5,062,578)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (457,126)
-	-	-	(246,233)
-	-	-	(7,546)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(710,905)</u>
4,133,774	-	4,133,774	-
1,802,734	-	1,802,734	-
9,874	20,381	30,255	-
81,501	-	81,501	-
197,907	-	197,907	-
63,768	-	63,768	-
19,512	-	19,512	-
-	-	-	762,085
2,090,193	(2,090,193)	-	-
75,348	(75,348)	-	-
<u>8,474,611</u>	<u>(2,145,160)</u>	<u>6,329,451</u>	<u>762,085</u>
<u>252,586</u>	<u>1,014,287</u>	<u>1,266,873</u>	<u>51,180</u>
21,136,835	48,583,988	69,720,823	2,879,531
-	-	-	(15)
<u>21,136,835</u>	<u>48,583,988</u>	<u>69,720,823</u>	<u>2,879,516</u>
<u>\$ 21,389,421</u>	<u>\$ 49,598,275</u>	<u>\$ 70,987,696</u>	<u>\$ 2,930,696</u>

CITY OF WINFIELD, KANSAS

GOVERNMENTAL FUNDS BALANCE SHEET DECEMBER 31, 2011

	General Fund	Debt Service Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	\$ 347,229	\$ 158,727	\$ 257,127	\$ 1,105,264	\$ 1,868,347
Receivables:					
Property taxes	2,361,618	602,512	-	570,118	3,534,248
Sales and franchise taxes	196,389				196,389
Special assessments	62,192	2,798,041	-	-	2,860,233
Accounts	16,067	-	-	-	16,067
Economic development Loan	248,000				248,000
Due from other governmental agencies	-	89,006	-	43,023	132,029
Due from other funds	-	-	42,980	-	42,980
Advances to internal service funds	20,265	-	-	-	20,265
Total assets	<u>3,251,760</u>	<u>3,648,286</u>	<u>300,107</u>	<u>1,718,405</u>	<u>8,918,558</u>
Liabilities					
Accounts and wages payable	141,514	-	129,133	18,837	289,484
Due to other funds	-	-	-	69,793	69,793
Deferred revenue	2,671,810	3,489,559	-	570,118	6,731,487
Total liabilities	<u>2,813,324</u>	<u>3,489,559</u>	<u>129,133</u>	<u>658,748</u>	<u>7,090,764</u>
Fund Balances					
Fund balances					
Nonspendable	20,265	-	-	6,000	26,265
Restricted	-	158,727	170,974	665,442	995,143
Committed	-	-	-	422,139	422,139
Assigned	-	-	-	(33,924)	(33,924)
Unassigned	418,171	-	-	-	418,171
Total fund balances	<u>438,436</u>	<u>158,727</u>	<u>170,974</u>	<u>1,059,657</u>	<u>1,827,794</u>
Total liabilities and fund balances	<u>\$ 3,251,760</u>	<u>\$ 3,648,286</u>	<u>\$ 300,107</u>	<u>\$ 1,718,405</u>	<u>\$ 8,918,558</u>

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

GOVERNMENTAL FUNDS RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS DECEMBER 31, 2011

Total fund balances - Total governmental funds \$ 1,827,794

Amounts reported for governmental activities in the Statement of Net Assets are different from those reported in the governmental funds above because of the following:

CAPITAL ASSETS

Capital assets used in governmental activities are not current assets or financial resources and therefore are not reported in the governmental funds. These assets include stormwater drainage infrastructure and consist of:

Land and construction in progress	\$ 1,943,126	
Buildings, net of \$3,403,199 accumulated depreciation	6,275,426	
Improvements other than buildings, net of \$5,289,568 accumulated depreciation	16,223,935	
Machinery and equipment, net of \$6,377,374 accumulated depreciation	<u>2,616,639</u>	
Total capital assets		27,059,126

STORMWATER DRAINAGE

The stormwater drainage utility fund is an enterprise fund of the City, and has been reclassified to governmental activities in the government-wide statements. Stormwater drainage fees are charged to City utility wastewater customers through consolidated utility bills. Stormwater fees are used to partially fund stormwater drainage system facilities and improvements. However, general obligation debt has funded a significant portion of the system.

177,653

BOND ISSUANCE COSTS

Issuance costs associated with new debt issued by the City in 2003-2011 were reported as expenditures in the governmental fund when the debt was issued, whereas bond issuance costs are deferred in the statement of net assets. Deferred bond issuance costs are amortized, over the life of the debt issued, as an adjustment to interest expense in the statement of activities.

114,995

DEFERRED LOSS ON REFUNDING OF GENERAL OBLIGATION DEBT

The 2005 refunding of \$1,980,000 debt with the issuance of \$2,130,000 debt created a \$150,000 increase in debt liability on the balance sheet. This deferred loss is amortized over the life of the new debt.

92,553

DEFERRED PREMIUM ON REFUNDING OF GENERAL OBLIGATION DEBT

The 2010 general obligation bonds totaling \$8.535 million included a \$18,897 debt premium in the governmental funds. This premium is amortized over the life of the debt.

(18,277)

LONG TERM RECEIVABLES

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current expenditures. Those assets (i.e. receivables) are offset by deferred revenues in the governmental funds and, therefore, not included in fund balance.

Balances at December 31, 2011 are:

Contractual receivables from component units	18,625	
Contractual receivables from other governmental agencies	70,381	
Deferred special assessments	<u>2,860,233</u>	2,949,239

DUE TO PROPRIETARY FUNDS

Amounts advanced and due to or from nongovernmental funds are offset in the governmental activities in the statement of net assets.

Advance to internal service funds	(20,265)	
Due to enterprise fund	<u>26,813</u>	6,548

INTERNAL SERVICE FUNDS

Internal services funds are used by the city to account for the financing of goods or services provided by one department to other City departments, generally on a cost reimbursement basis. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.

818,220

LIABILITIES

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets.

Balances at December 31, 2011 are:

Accrued interest payable	(84,496)	
Compensated absences	(313,831)	
Net OPEB obligation	(128,575)	
Payable to other governmental agencies	(39,014)	
General obligation bonds and KDOT loans payable	(10,409,521)	
Capital leases payable	<u>(662,993)</u>	
Total liabilities not reflected in governmental funds balance sheet		<u>(11,638,430)</u>

Total net assets of governmental activities \$ 21,389,421

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2011

	General Fund	Debt Service Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 2,764,343	\$ 702,705	\$ -	\$ 666,726	\$ 4,133,774
Sales taxes	1,802,734	-	-	-	1,802,734
Special assessments	-	207,926	-	-	207,926
Franchise taxes	197,907	-	-	-	197,907
Intergovernmental revenue	419,504	31,437	12,766	644,274	1,107,981
Licenses and permits	70,546	-	-	-	70,546
Fines and penalties	134,467	-	-	-	134,467
Interest income	2,291	698	838	3,491	7,318
Use of property	104,765	-	-	-	104,765
Charges for services and sales	628,185	-	-	37,760	665,945
Other	47,200	-	5,146	82,612	134,958
Total revenues	<u>6,171,942</u>	<u>942,766</u>	<u>18,750</u>	<u>1,434,863</u>	<u>8,568,321</u>
Expenditures					
Current operations:					
General government	819,810	6,452	-	518,737	1,344,999
Public safety	4,250,564	-	-	61,017	4,311,581
Public works	-	-	-	651,094	651,094
Cemetery	154,220	-	-	6,360	160,580
Culture and recreation	1,250,587	-	-	542,682	1,793,269
Health and welfare	301,613	-	-	40,350	341,963
Economic development	10,000	-	-	175,683	185,683
Capital outlay	-	-	443,657	-	443,657
Debt service:					
Debt principal payments	96,152	1,635,038	28,352	35,012	1,794,554
Debt interest payments	29,567	561,452	2,185	4,159	597,363
Total expenditures	<u>6,912,513</u>	<u>2,202,942</u>	<u>474,194</u>	<u>2,035,094</u>	<u>11,624,743</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(740,571)</u>	<u>(1,260,176)</u>	<u>(455,444)</u>	<u>(600,231)</u>	<u>(3,056,422)</u>
Other financing sources (uses):					
Transfers in	75,000	1,287,689	921,249	445,537	2,729,475
Transfers in - Pymts In lieu of franchise fees	2,090,193	-	-	-	2,090,193
Transfers out	<u>(1,241,302)</u>	<u>-</u>	<u>(573,646)</u>	<u>(158,073)</u>	<u>(1,973,021)</u>
Total other financing sources (uses)	<u>923,891</u>	<u>1,287,689</u>	<u>347,603</u>	<u>287,464</u>	<u>2,846,647</u>
Net change in fund balances	183,320	27,513	(107,841)	(312,767)	(209,775)
Fund balances, beginning of year	<u>255,116</u>	<u>131,214</u>	<u>278,815</u>	<u>1,372,424</u>	<u>2,037,569</u>
Fund balances, end of year	<u>\$ 438,436</u>	<u>\$ 158,727</u>	<u>\$ 170,974</u>	<u>\$ 1,059,657</u>	<u>\$ 1,827,794</u>

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

GOVERNMENTAL FUNDS RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2011

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measures only changes in current assets and current liabilities on the accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Net Activities, which is prepared on the full accrual basis.

Net change in fund balances - total governmental funds \$ (209,775)

Amounts reported for governmental activities in the statement of activities are different because:

Capital asset transactions

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets, which meet capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense, capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures	513,072	
Depreciation	(960,609)	
Net loss on retirement/sale of governmental capital assets	(29,568)	
Net capital asset transactions		(477,105)

Transfers of capital assets from governmental activities to business type activities are reported as transfers, whereas in the governmental funds, there is no event to report as there was no outward flow of current financial resources.

Revenues

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Long-term receivables		(31,437)
Special assessments receivables		(219,511)

Long-term debt

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the governmental funds, but in the Statement of Net Assets, the repayment reduces long-term liabilities.

General obligation and sales tax bond principal payments		1,600,000
Capital lease payments		159,516
KDOT TRF loan principal payments		35,038
Long term contractual payments		32,507
General obligation refunding bond premium		(8,180)

Reclassification of cash transfers for general obligation debt payments

General obligation debt for water utility improvements is recognized as debt in the water utility fund. Under modified accrual accounting, the bond and interest fund receives cash transfers from the water fund to make the GO bond debt payments.

(569,886)

Accrual of non-current items

The amounts below are included in the statement of activities, but do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		(26,342)
Net OPEB obligation		(32,824)
Interest payable		15,903
Amortization of debt issuance costs		(12,766)
Amortization of debt premium		3,055
Deferred revenues		51,921

Stormwater drainage fund reclassified as governmental-type activity

The stormwater drainage fund is included as a proprietary fund in the Proprietary Funds' Statement of Net Assets, and Statement of Revenues, Expenses and Changes in Fund Net Assets. It is reclassified as a governmental-type fund for the government-wide Statement of Net Assets and Statement of Activities, defined as a 'public works/stormwater' function.

6,683

Allocation of internal service funds activity

Internal service funds are used by management to charge the costs of certain activities, such as management services and insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities

(64,211)

Change in net assets of governmental activities

\$ 252,586

See accompanying notes to financial statements

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CITY OF WINFIELD, KANSAS

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2011 (Original and Final Budget)

	Budget	Amended Budget	Actual	Variance with amended Budget
Revenues and other sources:				
Taxes:				
Property	\$ 2,713,403	\$ 2,713,403	\$ 2,764,342	\$ 50,939
Sales	1,720,000	1,720,000	1,781,423	61,423
Franchise	215,570	215,570	209,479	(6,091)
Licenses and permits	55,950	55,950	70,546	14,596
Intergovernmental	401,406	401,406	407,247	5,841
Rentals, charges for services and sales	738,040	738,040	732,952	(5,088)
Fines and penalties	137,500	137,500	134,467	(3,033)
Interest earnings	3,000	3,000	2,291	(709)
Miscellaneous	27,000	27,000	61,708	34,708
Payments in lieu of taxes - utilities	2,074,808	2,074,808	2,090,193	15,385
Transfers from other funds	75,000	75,000	75,000	-
Total revenues and other sources	<u>8,161,677</u>	<u>8,161,677</u>	<u>8,329,648</u>	<u>167,971</u>
Expenditures and other uses:				
General government:				
Legal	63,973	63,973	56,988	6,985
Administrative	576,979	576,979	938,107	(361,128)
Cemetery maintenance	158,736	158,736	154,220	4,516
Public safety:				
Police department	2,352,940	2,352,940	2,340,860	12,080
Fire department	1,777,144	1,777,144	1,696,863	80,281
Building inspection	302,223	302,223	278,657	23,566
Parking	28,940	28,940	20,803	8,137
Culture and recreation:				
City lake	283,750	283,750	279,489	4,261
Park maintenance	731,805	731,805	750,277	(18,472)
Baden Square	177,984	177,984	200,202	(22,218)
Aquatic facility	181,753	181,753	184,141	(2,388)
Transfers to other funds	1,537,824	1,612,170	1,241,302	370,868
Total expenditures and other uses	<u>8,174,051</u>	<u>8,248,397</u>	<u>8,141,909</u>	<u>106,488</u>
Revenues and other sources over (under) expenditures and other uses	(12,374)	(86,720)	187,739	274,459
Unencumbered fund balance, Jan 1	<u>221,544</u>	<u>221,544</u>	<u>9,259</u>	<u>(212,285)</u>
Unencumbered fund balance, Dec 31	<u><u>\$ 209,170</u></u>	<u><u>\$ 134,824</u></u>	<u><u>\$ 196,998</u></u>	<u><u>\$ 62,174</u></u>

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS STATEMENT OF NET ASSETS December 31, 2011

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Assets			
Current assets			
Pooled cash and investments	\$ 2,615,737	\$ 2,403,632	\$ 670,011
Utility billing receivables, net	2,481,146	-	1,044,724
Accounts receivable, net	21,875	-	1,395
Due from other governments	-	-	-
Due from other funds	26,813	-	-
Inventories	1,098,193	-	275,126
Total current assets	<u>6,243,764</u>	<u>2,403,632</u>	<u>1,991,256</u>
Noncurrent assets			
Capital assets			
Land	382,366	-	6,303
Buildings and improvements	3,399,907	-	935
Improvements other than buildings	26,693,430	-	7,003,629
Machinery, equipment, other	18,764,711	-	956,818
Less accumulated depreciation	(28,836,678)	-	(3,463,528)
Net capital assets	<u>20,403,736</u>	<u>-</u>	<u>4,504,157</u>
Other assets			
Advances to other funds	73,752	-	6,645
Investment in joint venture	-	-	-
Other investments	11,957	-	-
Unamortized issuance costs	-	-	-
Total other assets	<u>85,709</u>	<u>-</u>	<u>6,645</u>
Total noncurrent assets	<u>20,489,445</u>	<u>-</u>	<u>4,510,802</u>
Total Assets	<u>26,733,209</u>	<u>2,403,632</u>	<u>6,502,058</u>

See accompanying notes to financial statements

Enterprise Funds				
Water Utility Fund	Wastewater Utility Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 336,219	\$ 96,747	\$ 892,715	\$ 7,015,061	\$ 1,489,328
253,439	204,736	141,549	4,125,594	61,962
-	10,861	-	34,131	20,737
-	-	-	-	197,840
-	-	-	26,813	-
104,869	32,568	28,191	1,538,947	142,554
<u>694,527</u>	<u>344,912</u>	<u>1,062,455</u>	<u>12,740,546</u>	<u>1,912,421</u>
8,801	23,355	403,452	824,277	6,500
1,500,773	5,834,248	574,793	11,310,656	1,978,735
9,958,810	11,569,489	7,326,922	62,552,280	101,836
5,382,816	2,309,234	1,640,046	29,053,625	1,749,417
(6,095,453)	(9,404,627)	(4,332,267)	(52,132,553)	(2,190,969)
<u>10,755,747</u>	<u>10,331,699</u>	<u>5,612,946</u>	<u>51,608,285</u>	<u>1,645,519</u>
2,969	4,912	7,620	95,898	-
-	-	45,817	45,817	-
-	-	-	11,957	-
96,111	-	5,651	101,762	-
<u>99,080</u>	<u>4,912</u>	<u>59,088</u>	<u>255,434</u>	<u>-</u>
<u>10,854,827</u>	<u>10,336,611</u>	<u>5,672,034</u>	<u>51,863,719</u>	<u>1,645,519</u>
<u>11,549,354</u>	<u>10,681,523</u>	<u>6,734,489</u>	<u>64,604,265</u>	<u>3,557,940</u>

(Continued)

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS STATEMENT OF NET ASSETS DECEMBER 31, 2011

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Liabilities			
Current liabilities			
Accounts payable	\$ 1,205,231	\$ -	\$ 526,760
Accrued interest payable	-	-	-
Current portion of compensated absences payable	80,284	-	28,960
Current portion of long-term debt	-	-	-
Total current liabilities	<u>1,285,515</u>	<u>-</u>	<u>555,720</u>
Noncurrent liabilities			
State of Kansas KDHE loans	-	-	-
General obligation bonds	-	-	-
Deferred premium on refunding bonds	-	-	-
Accrued compensated absences	22,479	-	19,515
Net OPEB obligation	46,179	-	16,139
Advances from other funds	-	-	-
Total noncurrent liabilities	<u>68,658</u>	<u>-</u>	<u>35,654</u>
Total liabilities	<u>1,354,173</u>	<u>-</u>	<u>591,374</u>
Net Assets			
Invested in capital assets	-	-	4,504,157
Invested in capital assets, net of related debt	20,403,736	-	-
Restricted by debt covenants	-	-	-
Unrestricted	<u>4,975,300</u>	<u>2,403,632</u>	<u>1,406,527</u>
Total net assets	<u>\$ 25,379,036</u>	<u>\$ 2,403,632</u>	<u>\$ 5,910,684</u>
Total liabilities and net assets	<u>\$ 26,733,209</u>	<u>\$ 2,403,632</u>	<u>\$ 6,502,058</u>

See accompanying notes to financial statements

Enterprise Funds				
Water Utility Fund	Wastewater Utility Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 41,734	\$ 39,706	\$ 53,465	\$ 1,866,896	\$ 214,018
50,177	38,022	2,907	91,106	165
28,724	14,971	22,819	175,758	98,428
422,915	452,694	83,755	959,364	17,306
<u>543,550</u>	<u>545,393</u>	<u>162,946</u>	<u>3,093,124</u>	<u>329,917</u>
-	3,046,294	-	3,046,294	-
5,773,979	-	352,286	6,126,265	-
47,990	-	3,199	51,189	-
17,260	-	12,148	71,402	114,703
19,403	14,033	17,500	113,254	55,302
-	-	-	-	116,165
<u>5,858,632</u>	<u>3,060,327</u>	<u>385,133</u>	<u>9,408,404</u>	<u>286,170</u>
<u>6,402,182</u>	<u>3,605,720</u>	<u>548,079</u>	<u>12,501,528</u>	<u>616,087</u>
-	-	-	4,504,157	1,187,059
4,606,974	6,818,678	5,173,706	37,003,094	441,154
-	-	-	-	-
<u>540,198</u>	<u>257,125</u>	<u>1,012,704</u>	<u>10,595,486</u>	<u>1,313,640</u>
<u>\$ 5,147,172</u>	<u>\$ 7,075,803</u>	<u>\$ 6,186,410</u>	<u>\$ 52,102,737</u>	<u>\$ 2,941,853</u>
<u>\$ 11,549,354</u>	<u>\$ 10,681,523</u>	<u>\$ 6,734,489</u>	<u>\$ 64,604,265</u>	<u>\$ 3,557,940</u>

Total net assets \$ 52,102,737

Some amounts reported for business-type activities in the statement
of net assets are different because certain internal service fund
assets and liabilities are included with business-type 1,464,094
Reclassification of due from governmental fund (26,813)
Reclassification of stormwater drainage fund net assets
to governmental activities net assets (3,941,743)
Net assets of business-type activities \$ 49,598,275

(Concluded)

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2011

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Operating revenues			
Charges for services and sales	\$ 24,467,776	\$ -	\$ 4,936,820
Other	182,203	-	19,133
Total operating revenues	<u>24,649,979</u>	<u>-</u>	<u>4,955,953</u>
Operating expenses			
Services and supplies	21,025,415	-	4,014,746
Depreciation	1,245,008	-	130,947
Total operating expenses	<u>22,270,423</u>	<u>-</u>	<u>4,145,693</u>
Operating income (loss)	<u>2,379,556</u>	<u>-</u>	<u>810,260</u>
Non-operating revenues (expenses)			
Investment income	5,729	5,835	4,659
Loss on joint venture	-	-	-
Amortization of debt issuance costs	(62)	-	-
Interest expense	(933)	-	-
Other	3,911	-	(14,980)
Total non-operating revenues (expenses)	<u>8,645</u>	<u>5,835</u>	<u>(10,321)</u>
Income (loss) before contributions and transfers	<u>2,388,201</u>	<u>5,835</u>	<u>799,939</u>
Capital contributions and transfers:			
Capital contributions	70,650	-	7,522
Transfers- payments in lieu of franchise fees	(1,608,915)	-	(287,564)
Transfers in - cash	-	516,000	-
Transfers out - cash	(766,552)	-	(770,400)
Transfers in - capital assets	50,324	-	-
Transfers out - capital assets	(482)	(50,324)	-
Change in net assets	<u>133,226</u>	<u>471,511</u>	<u>(250,503)</u>
Total net assets - beginning	<u>25,245,810</u>	<u>1,932,121</u>	<u>6,161,187</u>
Total net assets - ending	<u>\$ 25,379,036</u>	<u>\$ 2,403,632</u>	<u>\$ 5,910,684</u>

See accompanying notes to financial statements

Enterprise Funds

Water Utility Fund	Wastewater Utility Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 2,342,802	\$ 1,936,733	\$ 1,991,242	\$ 35,675,373	\$ 2,870,489
33,166	6,025	12,210	252,737	1,930,580
<u>2,375,968</u>	<u>1,942,758</u>	<u>2,003,452</u>	<u>35,928,110</u>	<u>4,801,069</u>
1,742,530	1,064,158	1,821,452	29,668,301	4,782,291
454,836	664,880	290,681	2,786,352	148,404
<u>2,197,366</u>	<u>1,729,038</u>	<u>2,112,133</u>	<u>32,454,653</u>	<u>4,930,695</u>
<u>178,602</u>	<u>213,720</u>	<u>(108,681)</u>	<u>3,473,457</u>	<u>(129,626)</u>
-	71	2,519	18,813	4,124
-	-	(767)	(767)	-
(3,829)	-	(6,494)	(10,385)	-
(152,096)	(120,050)	(12,976)	(286,055)	(1,095)
(1,307)	-	(985)	(13,361)	-
<u>(157,232)</u>	<u>(119,979)</u>	<u>(18,703)</u>	<u>(291,755)</u>	<u>3,029</u>
<u>21,370</u>	<u>93,741</u>	<u>(127,384)</u>	<u>3,181,702</u>	<u>(126,597)</u>
22,908	12,150	-	113,230	-
(128,868)	-	(64,846)	(2,090,193)	-
631,000	-	363,300	1,510,300	-
(48,278)	-	(20,000)	(1,605,230)	-
-	-	-	50,324	839
<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,806)</u>	<u>-</u>
498,132	105,891	151,070	1,109,327	(125,758)
<u>4,649,040</u>	<u>6,969,912</u>	<u>6,035,340</u>	<u>50,993,410</u>	<u>3,067,611</u>
<u>\$ 5,147,172</u>	<u>\$ 7,075,803</u>	<u>\$ 6,186,410</u>	<u>\$ 52,102,737</u>	<u>\$ 2,941,853</u>

Increase in net assets, per fund statements \$ 1,109,327

Some amounts reported for business-type activities in the statement

of activities are different because the net revenue (expense) of certain

internal service funds is reported with business-type activities (61,544)

Reclassification of due from governmental fund (26,813)

Reclassification of stormwater drainage fund activities to

governmental activities (6,683)

Change In net assets of business-type activities \$ 1,014,287

CITY OF WINFIELD, KANSAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Cash flows from operating activities			
Payments to suppliers	\$ (19,003,412)	\$ -	\$ (3,343,846)
Payments to employees	(1,863,417)	-	(640,750)
Payments of claims	-	-	-
Internal activity-receipts from other funds	-	-	-
Receipts from customers	23,949,030	-	5,008,015
Other receipts (expenses)	182,097	-	18,483
Net cash provided by operating activities	<u>3,264,298</u>	<u>-</u>	<u>1,041,902</u>
Cash flows from noncapital financing activities			
Advances from (to) other funds	(19,286)	-	-
Internal activity-payments in lieu of franchise fees	(1,608,915)	-	(287,564)
Due from (to) other funds	-	-	-
Transfers (to) from other funds for debt payments	-	-	-
Transfers (to) from other funds for capital acquisition	(516,000)	516,000	-
Operating subsidies and transfers from (to) other funds	(250,552)	-	(770,400)
Net cash used by noncapital financing activities	<u>(2,394,753)</u>	<u>516,000</u>	<u>(1,057,964)</u>
Cash flows from capital and related financing activities			
Debt payments - principal	-	-	-
Debt payments - interest	-	-	-
Capital lease and cert of part payments - principal	(93,315)	-	-
Capital lease and cert of part payments - interest	(1,866)	-	-
Capital contributions	70,650	-	7,522
Proceeds from sale of capital assets	4,378	-	-
Acquisition of capital assets	(115,691)	(50,324)	(105,502)
Net cash used by capital and related financing activities	<u>(135,844)</u>	<u>(50,324)</u>	<u>(97,980)</u>
Cash flows from investing activities			
Investment income	<u>5,729</u>	<u>5,835</u>	<u>4,659</u>
Net cash provided from investing activities	<u>5,729</u>	<u>5,835</u>	<u>4,659</u>
Net increase (decrease) in cash and cash equivalents	739,430	471,511	(109,383)
Balances - beginning of the year (includes \$200,000 in restricted accounts)	<u>1,792,962</u>	<u>1,932,121</u>	<u>779,394</u>
Balances - end of the year	<u><u>\$ 2,532,392</u></u>	<u><u>\$ 2,403,632</u></u>	<u><u>\$ 670,011</u></u>

Enterprise Funds				
Water Utility Fund	Wastewater Utility Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ (1,046,401)	\$ (516,324)	\$ (1,209,158)	\$ (25,119,141)	\$ (2,927,426)
(700,783)	(536,364)	(634,400)	(4,375,714)	(1,636,100)
-	-	-	-	(273,685)
-	-	-	-	4,351,647
2,325,529	1,918,563	1,990,018	35,191,155	7,766
36,697	(4,496)	8,691	241,472	443,675
<u>615,042</u>	<u>861,379</u>	<u>155,151</u>	<u>5,937,772</u>	<u>(34,123)</u>
-	-	-	(19,286)	(7,766)
(128,868)	-	(64,846)	(2,090,193)	-
(111,202)	-	-	(111,202)	-
-	-	(20,000)	(20,000)	-
-	-	-	-	-
582,722	-	363,300	(74,930)	-
<u>342,652</u>	<u>-</u>	<u>278,454</u>	<u>(2,315,611)</u>	<u>(7,766)</u>
(421,323)	(438,287)	(475,176)	(1,334,786)	-
(148,562)	(124,815)	(17,689)	(291,066)	-
-	-	-	(93,315)	(16,678)
-	-	-	(1,866)	(1,285)
22,908	12,150	-	113,230	-
-	-	-	4,378	-
(74,498)	(213,751)	(113,604)	(673,370)	(46,209)
<u>(621,475)</u>	<u>(764,703)</u>	<u>(606,469)</u>	<u>(2,276,795)</u>	<u>(64,172)</u>
-	71	2,519	18,813	4,124
-	71	2,519	18,813	4,124
336,219	96,747	(170,345)	1,364,179	(101,937)
-	-	1,063,060	5,567,537	1,591,265
<u>\$ 336,219</u>	<u>\$ 96,747</u>	<u>\$ 892,715</u>	<u>\$ 6,931,716</u>	<u>\$ 1,489,328</u>

(Continued)

CITY OF WINFIELD, KANSAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 2,379,556	\$ -	\$ 810,260
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,245,008	-	130,947
Changes in assets and liabilities:			
Receivables, net	(518,852)	-	70,815
Inventories/ prepaids	(1,258)	-	22,110
Compensated absences	2,384	-	(2,548)
Net OPEB obligations	14,662	-	4,620
Accounts and other payables	142,798	-	5,698
Total adjustments	884,742	-	231,642
Net cash provided (used) by operating activities	\$ 3,264,298	\$ -	\$ 1,041,902

Noncash Transactions

Assets contributed from other funds	296,895	-	-
Assets contributed to other funds	(482)	-	-
Loss on joint venture	-	-	-
Amortization of premium on bond issuance	-	-	-
Amortization of deferred (loss) gain on debt defeasance	-	-	-
Amortization of debt issue costs	-	-	-

See accompanying notes to financial statements

<u>Water Utility Fund</u>	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Wastewater Utility Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	
<u>\$ 178,602</u>	<u>\$ 213,720</u>	<u>\$ (108,681)</u>	<u>\$ 3,473,457</u>	<u>\$ (129,626)</u>
454,836	664,880	290,681	2,786,352	148,404
(13,742)	(28,691)	(810)	(491,280)	2,019
(12,187)	(2,684)	12,025	18,006	(116,390)
(13,280)	(2,545)	(3,001)	(18,990)	(566)
7,143	4,726	5,626	36,777	16,988
<u>13,670</u>	<u>11,973</u>	<u>(40,689)</u>	<u>133,450</u>	<u>45,048</u>
<u>436,440</u>	<u>647,659</u>	<u>263,832</u>	<u>2,464,315</u>	<u>95,503</u>
<u>\$ 615,042</u>	<u>\$ 861,379</u>	<u>\$ 155,151</u>	<u>\$ 5,937,772</u>	<u>\$ (34,123)</u>
-	-	-	296,895	-
-	-	-	(482)	839
-	-	(767)	(767)	-
3,880	-	(577)	3,303	-
-	-	(4,494)	(4,494)	-
(770)	-	(1,424)	(2,194)	-

(Concluded)

CITY OF WINFIELD

FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET ASSETS DECEMBER 31, 2011

	<u>Agency Funds</u>
Assets	
Pooled cash and investments	\$ 44
Other receivables	<u>53,464</u>
Total assets	<u>53,508</u>
Liabilities	
Accounts payable	<u>53,508</u>
Total liabilities	<u>53,508</u>
Net Assets	<u><u>\$ -</u></u>

See accompanying notes to financial statements

CITY OF WINFIELD KANSAS

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CITY OF WINFIELD KANSAS

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CITY OF WINFIELD, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2011

1. Summary of Significant Accounting Policies

The City of Winfield, Kansas was founded in 1869. Located in the northern half of Cowley County, Winfield has a population of 12,301 living within an area of 12 square miles. The City operates under a charter adopted February 2, 1873, and a Commission/Manager form of government.

A. Financial Reporting Entity

The City's combined financial statements include the account of all City operation. The criteria for including organizations as component units within the City's reporting entity, as set forth in section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can use and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Winfield has three discretely presented component units. The discretely presented component units are reported in a separate column in the government-wide financial statements.

1) Discretely Presented Component Units

Winfield Area Emergency Medical Service (WAEMS) – operates the local area ambulance service. The City appoints the Winfield Newton Memorial Hospital (WNMH) board, a related organization, who oversee the WAEMS operations.

Winfield Public Library - operates the City's public library. The library has its own financing levy under Kansas Statutes, and the Library tax levy is included in the total City tax levy. Library tax distributions are paid to the City, and the City in turn distributes to the Library. The City appoints all Library Board members, and the City must approve acquisition or disposition of real property by the Library Board.

Winfield Housing Authority - operates the City's housing projects. The City created the Winfield Housing Authority as its agent in 1978, under K.S.A 17-2340. The City appoints all Housing Authority board members. Although the City does not have the authority to approve or modify the Housing Authority's operational and capital budgets, and the Housing Authority has the authority to issue bonded debt, the City is fiscally responsible for the Housing Authority, since it was created as an agent of the City. The City has delegated to the Housing Authority the power to operate and manage the low-rent housing projects of the City. The Housing Authority is on a June 30 fiscal year end. Data included in these financial statements are for the fiscal year ended June 30, 2011.

All component units of the City are considered to be non-major funds. Complete financial statements of the individual component units can be obtained from their respective administrative offices listed below:

Winfield Area Emergency
Medical Services
1300 East 5th
Winfield, KS 67156

Winfield Public Library
605 College
Winfield, KS 67156

Winfield Housing Authority
1417 Pine Terrace
Winfield, KS 67156

2) Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement (or interlocal agreement) and is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control. The participants retain (a) an on-going financial interest or, (b) an on-going financial responsibility. The City participates in the following joint ventures:

Strother Field Airport and Industrial Park – The Cities of Winfield and Arkansas City, Kansas entered into an interlocal agreement to create the Strother Field Commission. Three commissioners from both cities comprise the Strother Field governing body, along with one Cowley County commissioner. The two cities jointly own Strother Field. The cities provide no financial support to Strother Field. Separate audited financial statements are available from Strother Field Airport and Industrial Park.

Arkansas City/Winfield Recycling Center – The Cities of Winfield and Arkansas City, Kansas entered into an interlocal agreement to jointly purchase and operate a recycling center. Records are maintained by the City of Winfield; both cities share equally in the costs and recycling revenues. No financial statements are prepared for this joint venture. Further financial information can be obtained through the City of Winfield, 200 E. 9th Ave, Winfield, KS 67156. Below is a summary of 2011 revenues and expenses for the recycling center.

Recycling revenues	\$	74,981
Recycling expenses		96,932
Depreciation expense		1,534

3) Related Organizations

A related organization is an organization for which a primary government is accountable because that government appoints a voting majority of the Board, but is not financially accountable.

William Newton Memorial Hospital – The City Commission is responsible for appointing the Board members of the Hospital, but the City's accountability for this organization does not extend beyond making appointments.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported discretely from the legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include [1] charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and [2] grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The *government-wide financial statements* are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

Sales tax and other taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Special assessments receivable that are not due within the current fiscal period and not susceptible to accrual are recorded as deferred revenue. All other revenue items are considered to be measurable and available only when cash is received.

The following major governmental funds are reported:

The General fund is the principal fund of the City that accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the City, other than proprietary fund activities, are financed through revenues received by the General fund. Its revenues consist primarily of taxes, investment income, licenses and permits, intergovernmental shared revenues, charges for services, fines, and payments in lieu of taxes from both City-owned and external utilities. General fund expenditures represent the general administration costs of government, and public safety (fire, police, and buildings inspection), parks and recreational facilities, and cemetery maintenance.

The Debt Service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The Capital Improvements fund accounts for many of the major capital improvements of the City (other than those financed in proprietary funds), financed primarily through one-half of the local sales tax revenues, issuance of general obligation bonds, and other City transfers.

The City reports the following major proprietary funds:

The Electric Utility fund accounts for the operation and maintenance of the City's electric generation and distributions system. The City purchases electricity, and maintains a 65 KW generation capacity. Electric service is provided to more than 7,300 meters both within the City and in surrounding areas, and sold wholesale to a neighboring city.

The Gas Utility fund accounts for the operation and maintenance of the City's gas distribution system. The City purchases natural gas, and provides service to approximately 5,140 meters.

The Water Utility fund accounts for the operation and maintenance of the City's water treatment plant and the water distribution system. The Winfield City Lake provides an adequate quality water supply of water to Winfield citizens, providing water to approximately 5,100 meters. The City also provides access to water for five rural water districts and two neighboring towns.

The Wastewater Utility fund accounts for the operation and maintenance of the City's wastewater collection system and wastewater treatment plant. The City collects and treats effluent of City residents, providing service throughout the City to approximately 5,000 households.

The City also reports the following fund types:

A permanent fund is used to report an endowment restricted to the perpetual care of municipal cemeteries.

Capital project funds are used to account financial resources used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis and to account for the City's self-insurance activities.

Agency funds are used to report resources held by the City in a custodial capacity for remittance of fiduciary resources to individuals, private organizations or other governments. The City has two agency funds – Sales tax: to collect and pass through sales taxes, and Payroll claims: to collect and pass through payroll related liabilities and taxes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financials statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes between the City's enterprise funds and the general fund. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include [1] charges to customers or applicants for goods, services, or privileges provided, [2] operating grants and contributions, and [3] capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these criteria are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments. In addition to City-owned money-market and checking accounts, investments of the pooled accounts consist primarily of certificates of deposits and repurchase agreements. Interest income is allocated to the appropriate funds, based on the ratio of each individual fund cash balance to the total cash balance.

E. Property Taxes and Other Receivables

In accordance with State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred revenue

on the balance sheet of the appropriate funds. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

Recognized State-shared taxes represent payments received during the current fiscal period, and amounts collected or due to the State on behalf of the City at year-end.

Federal and state grant aid is reported as revenue when the related reimbursable expenditures are incurred. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

F. Revenue Recognition for Proprietary Funds

The proprietary funds follow the policy of recognizing revenue on sales when services are rendered. The electric, gas, water, refuse, wastewater, and stormwater drainage utilities recognize revenues for unbilled services. All users, including other City departments, are charged for services provided by the respective proprietary funds. Account receivable represent uncollected charges (both billed and unbilled) at December 31, net of amounts estimated to be uncollectible.

G. Special assessments receivable

State statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds, which are secured by the full faith, and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as revenue in the debt service fund. State statutes allow levying additional ad valorem property taxes in the City's debt service fund to finance delinquent special assessments receivable, if necessary. Special assessments receivable are accounted for within the debt service fund. Special assessments are levied over a ten-year period and the annual installments are due and payable with annual ad valorem property taxes. Delinquent assessments against property benefited by special assessments constitute a lien against such property. When assessments are two years in arrears, they may be collected by foreclosure. At December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund with a corresponding amount recorded as deferred revenue.

H. Inventories, Advances, and Prepaid Expenses

As a general rule, inventories and prepaid expenses that benefit future periods, other than those recorded in the proprietary fund types, are recorded as expenditures during the year of purchase. Inventories are stated at the lower of cost or market, cost being determined by the average unit cost method.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500, and dependent on the type of asset. Donated capital assets are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

With the implementation of GASB Statement 34, the City has recorded all its public domain (infrastructure) capital assets placed in service after January 1, 1980, which includes roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems.

Interest incurred during the construction phase of capital assets of business-type assets is included as part of the capitalized value of the assets constructed. During 2011, the City had no net interest costs subject to capitalization.

Major outlays for capital assets and improvements are capitalized as projects are completed. For proprietary funds, interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

	<u>Asset</u>	<u>Life (Years)</u>
For all funds:	Buildings and improvements	40-50
	Equipment	5-15
	Vehicles	8
	Meters	20-30
Specific to governmental activities:	Asphalt and concrete streets	40-50
	Sidewalks and curb and gutter	40-50
	Park and recreational infrastructure	20-30
Specific to business-type activities:		
Electric utility	Electric generation plants	30-35
	Transformers	15-20
	Electric poles	25
	Conductors and related equipment	35
Gas utility	Gas lines and infrastructure	40-75
Water utility	Water treatment plant	30-50
	Water lines and infrastructure	30-65
Sewer utility	Sewer lines and infrastructure	50-75
	Lift stations	25
	<u>Asset</u>	<u>Life (Years)</u>
For all funds:	Buildings and improvements	40-50
	Equipment	5-15
	Vehicles	8
	Meters	20-30
Specific to governmental activities:	Asphalt and concrete streets	40-50
	Sidewalks and curb/gutter	40-50
	Park/recreational infrastructure	20-30
Specific to business-type activities:		
Electric utility	Electric generation plants	30-35
	Transformers	15-20
	Electric poles	25
	Conductors/related equipment	35
Gas utility	Gas lines/infrastructure	40-75
Water utility	Water treatment plant	30-50
	Water lines/infrastructure	30-65
Sewer utility	Sewer lines/ infrastructure	50-75
	Life stations	25

J. Payments in Lieu of Franchise Fees

The electric, gas, water, and refuse utilities pay monthly in lieu of franchise fees monthly to the general fund, in amounts ranging from 4% to 6.9% of gross sales. The payments in lieu of mirror the payments in lieu of assessed to external utilities providing services within the City, such as telephone and cable services, and are reflected as interfund transfers in the financial statements, in accordance with GASB-S34: 112b(1).

K. Compensated Absences

- 1) **Vacation** - All permanent full-time employees of the City are eligible for vacation benefits. Employees with less than ten years employment service for the City have vacation days accumulated at the rate of one day for each month of employment, with a maximum of eighteen days. If employed ten years or more, the rate is one-and-a-half days per month, with a maximum of twenty-four days. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements.
- 2) **Sick Leave** - Sick leave is accumulated at the rate of one day per month, regardless of the length of employment, with the accumulated carryover not to exceed ninety days. Accumulated sick leave is not paid to employees separating from service, prior to retirement. No liability is reported in the financial statements of accrued sick leave, unless an employee is entitled to the payout due to retirement.
- 3) **Sick Leave Reserve** – Employees who have accrued the maximum ninety days of sick leave are eligible to accrue sick leave in a reserve account. Reserve sick leave is credited for 25% of each eight hours sick leave that would have accrued had the ninety days maximum accrual not been reached. There is no maximum as to the number of reserve sick leave hours that may be accumulated, and sick leave reserve hours accumulated by employees eligible for retirement are reflected as accrued liabilities in the financial statements.
- 4) **Sick Leave Bonus** – Any permanent full time employee who has reached the maximum ninety days sick leave accrual is eligible for the annual sick leave bonus program. For each pay period that an employee begins and ends with ninety days maximum accrued sick leave, they accrue one hour's pay at the regular rate of pay. This bonus is paid out to those employees annually.

L. Statement of Cash Flows

The reporting entity defines cash and cash equivalents used in the statement of cash flows as all cash and temporary investments (both restricted and unrestricted).

M. Estimates

Preparation of financial statements in conformity with GAAP requires making estimates and assumptions that affect: [1] the reported amounts of assets and liabilities, [2] disclosures such as contingencies, and [3] the reported amounts of revenues and expenditures or expenses included in the financial statements. Actual results could differ from those estimates.

N. Pending Governmental Accounting Standards Board Statements Affecting Financial Statements

GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements" addresses service concession arrangements (SCAs), a type of public-private or public-public partnership. The provisions of this statement will apply to the financial statements of the city beginning with fiscal year 2012.

GASB Statement No. 61, "Omnibus- an amendment of GASB Statements No. 14 and No. 34" modifies certain requirements of inclusion of component units in the financial report entity. The provisions of this statement will apply to the financial statements of the city beginning with fiscal year 2012, and the City has elected an early adoption of this statement with the 2010 financial statements.

2. Budgetary Control

Applicable Kansas Statutes require that annual budgets be legally adopted for all funds (including proprietary funds) unless exempted by a specific statute. Funds exempted from legally adopted budgets include all capital project funds (including capital projects of proprietary funds); three special revenue funds: the grants and contributions fund, the energy manager grant fund, and the equipment reserve fund; the electric depreciation reserve fund; all agency and fiduciary funds; and five internal service funds: the A/R financing fund, risk management reserve fund, workers' compensation reserve fund, health insurance reserve fund, and the short-term disability reserve fund. Controls over spending in funds that are not subject to legal budgets are maintained by the use of internal spending limits established by management, federal regulations, or other statutes. K.S.A. 79-2926 et seq. 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 of each year.
- [2] Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5 of each year. A minimum of ten days' notice of public hearing, published in local newspaper, on or before August 15 of each year.
- [3] Adoption of the final budget on or before August 25 of each year.

K.S.A. 79-2927 requires that all money to be raised by taxation and from all other sources for the ensuing budget year must be appropriated. The law does not permit an appropriation for sundry or miscellaneous purposes in excess of ten percent of the total. The budget for each fund with tax levies may include a non-appropriated balance not to exceed five percent of the total of each fund.

Kansas statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. In accordance with Kansas statutes, the legal level of control for the City is established at the individual fund level, also permitting the transfer of budgeted amounts from one object or purpose to another within the same fund. All annual appropriations lapse at the end of the year, except for outstanding encumbrances, which carryover to the following fiscal year. Kansas statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of hearing to amend the budget. Ten days after publication, a public hearing is held and the governing body may amend the budget at that time. Budgetary data presented in the financial statements represent the original budgeted amounts, and reflect any revised budgeted amounts in a separate column. The City had budget revisions for seven funds in 2011.

3. Budget/GAAP Reconciliation – General Fund

Budgets are prepared on a basis (budgetary basis) different from generally accepted accounting principles (GAAP basis). For budgeting, revenues are recognized when received. Expenditures include cash disbursements, payables, and encumbrances (purchases orders, contracts, and other commitments). Encumbrances are reflected as a reservation of fund balance (GAAP) as opposed to the equivalent of expenditures (budgetary). Adjustments necessary to convert the net change in fund balances and the ending fund balances from GAAP basis to budgetary basis for the general fund is as follows:

	Net change in fund balance
GAAP basis	\$ 183,320
Accrued revenue:	
December 31, 2011	(212,456)
December 31, 2010	216,946
Encumbrances:	
December 31, 2011	(8,717)
December 31, 2010	8,646
Advances to other funds	
December 31, 2011	(20,265)
December 31, 2010	20,265
Budgetary basis	<u>\$ 187,739</u>

4. Fund Balance Deficits

At December 31, 2011, fund balance deficits were as follows:

	Fund Balance Deficit
Capital Projects Fund	
Country Club Villa Improvements	\$ (42,980)

The Country Club Villa Improvements fund was created in 2008, and the City has authority to issue bonds on this project. At December 31, 2011, this project is in a holding status.

5. Compliance with Kansas Statutes

City of Winfield management is aware of no instances of noncompliance with Kansas statutes of the primary government during the year ended December 31, 2011.

6. Pooled Cash Deposits and Investments

At year end, the reporting entity's deposits and investments were comprised of the following:

	Cash Held by Primary Government	Component Units	Total
Cash on hand	\$ 3,370	\$ -	\$ 3,370
Bank deposits	7,863,262	730,127	8,593,389
Overnight repurchase agreement	2,506,149	-	2,506,149
Total	<u>\$ 10,372,781</u>	<u>\$ 730,127</u>	<u>\$ 11,102,908</u>
Reconciliation to Statement of Net Assets:			
General fund			\$ 347,229
Capital project funds			-
Capital improvements fund			257,127
Special revenue funds			1,099,265
Debt service fund			158,727
Permanent fund			6,000
Enterprise funds			7,015,061
Internal service funds			<u>1,489,328</u>
Total pooled cash and investments-primary government			10,372,737
Fiduciary funds			44
Component units			686,587
Fiduciary funds of component units			<u>43,540</u>
Grand Total			<u>\$ 11,102,908</u>

Custodial Credit risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits with securities held by the financial institution's agent and in the City's name. At December 31, 2011, the City's deposits were insured by federal depository insurance and uninsured deposits were fully collateralized in accordance with the City's policy.

Collateral

Below is a comparison of the City's deposits balances to banks' collateral amounts at December 31, 2011:

Market value of securities, held as collateral by banks' third party trustees	\$ 12,447,116
FDIC coverage	<u>750,275</u>
Total coverage	13,197,391
Total City cash deposits, per bank	<u>8,130,606</u>
Excess coverage, December 31, 2011	<u><u>\$ 5,066,785</u></u>

Below is a comparison of the City's repurchase agreement balance to the bank's collateral amounts at December 31, 2011:

Market value of securities, underlying the repurchase agreement	\$ 3,473,468
Repurchase agreement balance	<u>2,506,149</u>
Excess coverage, December 31, 2011	<u><u>\$ 967,319</u></u>

Investments

State laws (K.S.A. 12-1675—12-1677) allow monies, not otherwise regulated by statute, to be invested in:

- a. Temporary notes of the City of Winfield
- b. Time deposits, open accounts or certificates of deposits with maturities of not more than four years
- c. Repurchase agreements with commercial banks, state or federally chartered savings and loan associations, which have offices located in the City
- d. U.S. treasury bills or notes with maturities not exceeding four years
- e. U.S. government-agency securities with a maturity of not more than four years that do not have any more interest rate risk than U.S. government obligations or similar maturities
- f. The municipal investment pool fund operated by the State Treasurer

State law (K.S.A. 10-131) allows investment of the proceeds of bonds and temporary notes in the following, in addition to those stated above:

- g. U.S. Government and agency obligations
- h. Time deposits with banks and trust companies
- i. FNMA, FHLB and FHLMC obligations
- j. Collateralized repurchase agreements
- k. Mutual funds with portfolios consisting entirely of obligations of the U.S. government, U.S. Government agencies, FNMA, FHLB, and FHLMC
- l. Certain Kansas municipal bonds

Credit Risk and Concentration of Credit Risk

The City's investment option types are very limited, which inherently reduces credit risk. State statutes do not address concentration of credit risk. The City invests monies based on highest interest rate bids from local banking institutions. Below is a summary of the City's investments at December 31, 2011:

Investment Type	Amount	Percentage
Repurchase agreements	\$ 2,506,149	24%
Collateralized time deposits	<u>8,000,000</u>	<u>76%</u>
	<u><u>\$ 10,506,149</u></u>	<u><u>100%</u></u>

Interest Rate Risk

The City has no formal written investment policy addressing interest rate risk. As a means of minimizing the risk that the market value of securities in the portfolio will decline due to the changes in general interest rates, the City structures its portfolio so that securities will mature to meet cash requirements for ongoing operations, investing primarily in securities with maturities of two years or less in time deposits.

As of December 31, 2011, the City's investments portfolio had the following investments and maturities:

Investment Type	Total	6 months or less	6 to 12 months
Cash and Time deposits	\$ 9,000,000	\$ 3,000,000	\$ 6,000,000
Repurchase agreements	1,506,149	1,506,149	-
	<u>\$ 10,506,149</u>	<u>\$ 4,506,149</u>	<u>\$ 6,000,000</u>

7. Receivables

A. Utility Receivables

The City operates six utilities. Prior to 2008, the utility receivables were ~~sold~~, for the estimated net amount collectible, to a consolidated Accounts Receivable Financing Fund. Beginning in 2008, a new utility billing software system allows the City to track utility receivable activity for each individual utility fund. Below is a summary of the utility receivables at December 31, 2011:

	Utility Receivables	Less provision for uncollectible accounts	Net Utility Receivables
Electric utility	\$ 2,682,986	\$ (201,840)	\$ 2,481,146
Gas utility	1,105,447	(60,723)	1,044,724
Water utility	274,914	(21,476)	253,438
Refuse utility	139,744	(13,956)	125,788
Wastewater utility	223,897	(19,161)	204,736
Stormwater utility	<u>17,409</u>	<u>(1,647)</u>	<u>15,762</u>
Receivables reflected in utility funds	4,444,397	(318,803)	4,125,594
Plus Accounts receivable financing fund	<u>283,299</u>	<u>(237,134)</u>	<u>46,165</u>
Total utility receivables, net of provision for uncollectible accounts	<u>\$ 4,727,696</u>	<u>\$ (555,937)</u>	<u>\$ 4,171,759</u>

The total bad debt expense on utility receivables for the fiscal year 2011 amounted to \$105,118, and is allocated to the utility funds in proportion to their utility receivable balances.

B. Long-term Receivables

The City entered in several interlocal agreements in prior years with other local governmental entities, related to debt financing and repayment arrangements. The City included project costs of these entities in general obligation bond issues, and the interlocal agreements provide for repayment of the principal, interest, and issuance costs to the City over set time periods. These receivables are included in governmental activities of the Statement of Net Assets. Because the receivables are not considered to be available to liquidate liabilities of the current fiscal year, they are not reflected in the debt service fund in the Governmental Funds Balance Sheet.

Below is a summary of the receivables as of December 31, 2011:

	Total Payments Due	[1]Winfield Public Library	[2]Strother Field Ind Park	[3] Winfield USD #465
2012	\$ 31,437	\$ 18,625	\$ 6,435	\$ 6,377
2013	12,812	-	6,435	6,377
2014	12,811	-	6,434	6,377
2015	12,812	-	6,435	6,377
2016	6,378	-	-	6,378
2017	6,378	-	-	6,378
2018	6,378	-	-	6,378
	<u>\$ 89,006</u>	<u>\$ 18,625</u>	<u>\$ 25,739</u>	<u>\$ 44,642</u>

[1] Winfield Public Library is a discrete component unit of the City, and is reflected on the government-wide Statement of Net Assets as Due from Component Units

[2] Strother Field Industrial Park is jointly owned by the City, with the City of Arkansas City, described further in note 1.A.3.

[3] Winfield USD #465 is the local school district.

C. Economic Development Loan Receivable

In January 2011, the City sold Baden Hall, an unoccupied building, to Baden Hall Limited Partnership (developer) for \$1. The building was rehabilitated and developed into a 24-unit residential rental property for households with low and moderate income. In addition, the City agreed to a 30-year no-interest loan of \$248,000 to the developer. The contract was structured to require no loan payments until the end of the thirty years. The loaned funds consist of prior years' private donations to the "Baden Hall Preservation Committee for the Preservation and Renovation of Baden Hall". Because the loaned funds are not available to finance expenditures of the current fiscal year, there is a corresponding liability for deferred revenue.

8. Deferred Revenues

Governmental funds report deferred revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Below is a summary of the deferred revenue reported in the governmental funds:

Fund	Unavailable
Property taxes receivable	
General	\$ 2,361,618
Debt Service	602,512
Other Governmental	570,118
Unearned revenues	
General	<u>248,000</u>
Total	<u>\$ 3,782,248</u>

9. Changes in Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2011 was as follows:

	Balance January 1	Additions	Deletions	Transfers/ Reclassifications	Balance December 31
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,903,464	\$ -	\$ -	\$ -	\$ 1,903,464
Construction in progress	38,914	748	-	-	39,662
Total capital assets, not being depreciated	<u>\$ 1,942,378</u>	<u>\$ 748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,943,126</u>
Capital assets, being depreciated:					
Buildings	\$ 9,678,625	\$ -	\$ (46,340)	\$ -	\$ 9,632,285
Other improvements/infrastructure	21,222,735	290,768	-	-	21,513,503
Machinery and equipment	8,985,115	268,015	(191,844)	(20,935)	9,040,351
Total capital assets, being depreciated	<u>39,886,475</u>	<u>558,783</u>	<u>(238,184)</u>	<u>(20,935)</u>	<u>40,186,139</u>
Less accumulated depreciation for:					
Buildings	(3,377,220)	(25,980)	21,390	-	(3,381,810)
Infrastructure	(5,218,977)	(70,592)	-	-	(5,289,569)
Machinery and equipment	(5,534,643)	(1,008,383)	146,626	(2,360)	(6,398,760)
Less accumulated depreciation	<u>(14,130,840)</u>	<u>(1,104,955)</u>	<u>168,016</u>	<u>(2,360)</u>	<u>(15,070,139)</u>
Total capital assets, being depreciated, net	<u>\$ 25,755,635</u>	<u>\$ (546,172)</u>	<u>\$ (70,168)</u>	<u>\$ (23,295)</u>	<u>\$ 25,116,000</u>
Business activities:					
Capital assets, not being depreciated:					
Land	\$ 827,527	\$ -	\$ -	\$ -	\$ 827,527
Construction in Progress	-	10,000	-	-	10,000
Total capital assets, not being depreciated	<u>\$ 827,527</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 837,527</u>
Capital assets, being depreciated:					
Buildings	\$ 12,312,969	\$ -	\$ (12,945)	\$ -	\$ 12,300,024
Other improvements/infrastructure	57,474,465	584,480	(252,003)	-	57,806,942
Machinery and equipment	29,958,360	212,590	(259,672)	(3,409)	29,907,869
Total capital assets, being depreciated	<u>99,745,794</u>	<u>797,070</u>	<u>(524,620)</u>	<u>(3,409)</u>	<u>100,014,835</u>
Less accumulated depreciation for:					
Buildings	(6,541,210)	(430,010)	566	-	(6,970,654)
Infrastructure	(25,497,845)	(1,022,648)	241,407	-	(26,279,086)
Machinery and equipment	(18,295,381)	(1,337,749)	258,607	2,359	(19,372,164)
	<u>(50,334,436)</u>	<u>(2,790,407)</u>	<u>500,580</u>	<u>2,359</u>	<u>(52,621,904)</u>
Total capital assets, being depreciated, net	<u>\$ 49,411,358</u>	<u>\$ (1,993,337)</u>	<u>\$ (24,040)</u>	<u>\$ (1,050)</u>	<u>\$ 47,392,931</u>

10. Depreciation Allocations

Depreciation expense in 2011 was charged to function/programs of the primary government, as follows:

Governmental activities:

General government	\$ 163,343
Public safety	294,116
Public works	345,145
Cemetery	7,383
Culture and recreation	294,968
Total depreciation expense - governmental activities	<u>\$ 1,104,955</u>

Business-type activities:

Electric	1,319,210
Gas	130,947
Water	454,836
Refuse	54,458
Wastewater	664,880
Golf course	166,076
Total depreciation expense - business-type activities	<u>\$ 2,790,407</u>

11. Capital Projects

At December 31, 2011, the City had the following major improvement/construction projects in progress:

	Amount Authorized	Expenditures Project To-Date	Construction Commitments at 12-31-11
[a] Country Club Villa Water, Streets, Sewer and Drainage Improvements	\$ 177,000	\$ 42,980	\$ -
[b] Water tower cleaning and re-painting	562,060	54,953	502,730

[a] The City has authorization for debt funding. The project is to be financed with special assessments and general obligation bonds. The project was placed on hold in 2009.

[b] The project will be funded through temporary notes in 2012. See note 26.D.

12. Temporary Notes

Kansas law permits the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds. Prior to the issuance of the temporary notes, the City must take the necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance. At December 31, 2011, the City had no temporary notes outstanding. See note 26.D for 2012 temporary note activity.

13. Long-Term Debt

A. Capitalized Lease Obligations

The City has entered into lease agreements as lessee for financing the purchase of several assets. Such leases qualify as capital leases for accounting purposes and, accordingly, have been recorded at the present value of the minimum payments at the date of lease inception. The total cost of those assets being purchased through capital leases amount to \$1,269,205. Of that total, \$1,256,705 is governmental activities assets, and \$12,500 is business type activities assets. Below is a listing of the capital leases payable at December 31, 2011.

	Interest Rate	Balance December 31
Governmental activities		
Aerial fire truck	4.57%	\$ 550,826
Street sweeper	3.75%	74,093
Park play area surfacing	3.73%	29,421
Computer hardware/software	3.73%	8,653
Business activities		
Computer hardware/software	3.73%	8,653

The annual debt service requirements to maturity for capital lease obligations are as follows:

Year Ending Dec 31	Government activities		
	Total	Principal	Interest
2012	\$ 204,417	\$ 174,976	\$ 29,441
2013	164,890	142,877	22,013
2014	125,719	109,946	15,773
2015	125,718	114,970	10,748
2016	125,718	120,224	5,494
	<u>\$ 746,462</u>	<u>\$ 662,993</u>	<u>\$ 83,469</u>

Year Ending Dec 31	Business-type activities		
	Total	Principal	Interest
2012	\$ 8,981	\$ 8,653	\$ 328
	<u>\$ 8,981</u>	<u>\$ 8,653</u>	<u>\$ 328</u>

The City refinanced the aerial fire truck capital lease in February 2012 through a new capital lease arrangement. See footnote 26.A.

B. General Obligation Bonds Payable

General obligation bonds outstanding at December 31, 2011 are as follows:

	Interest Rate	Final Maturity Date	Total 12/31/2011
[1] Series 2002B GO refunding	3.00-4.10	2015	645,000
[2] Series 2003A GO	2.00-4.00	2018	1,155,000
[3] Series 2005A GO	3.70-4.30	2021	645,000
[4] Series 2005B GO refunding	3.35-4.00	2019	1,480,000
[5] Series 2006A GO	3.60-4.50	2021	785,000
[6] Series 2008A GO	3.625-4.3	2026	3,955,000
[7] Series 2010A GO refunding	2.00-3.10	2025	7,905,000
			<u>\$ 16,570,000</u>

[1] Series 2002B GO bonds refunded the 1996 Series 154 bonds, that financed the aquatic center, and three special assessment districts. See note 26.E. for refunding bonds to retire this debt in 2012.

[2] Series 2003A GO bonds provided financing for municipal building capital improvements, and a section of Bliss Street drainage and street improvements. See note 26.E. for refunding bonds to retire this debt in 2012.

[3] Series 2005A GO bonds provided financing for several benefit district projects. Special assessments against the benefit districts' landowners will repay the City the debt costs over a fifteen year period.

[4] Series 2005B GO refunding issue refunded a portion of outstanding 1999A GO bonds. Those bonds financed Meyer hall, the Broadway Recreation Complex, and two special assessment districts.

[5] Series 2006A GO bonds financed the City's Utt business park, and three special assessment districts.

[6] Series 2008A GO bonds four special assessment districts (Cottonwood Court, Hiatt Hills, Morningview Acres, Thomas Canyon), zoysia grass replacement at the City's Quail Ridge golf course, and street/stormwater improvement projects.

[7] Series 2010A GO refunding bonds provided financing for two street improvement projects, and provided current refunding for two KDHE water loans, the 2002A GO bonds, and two KDOT street improvement loans.

All of the above general obligation bonds are capital-related debt of the governmental activities. See Note 8.B. for details on the receivable balances related to the above debt issues.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending Dec 31	Total	Principal	Interest
2012	\$ 2,241,193	\$ 1,725,000	\$ 516,193
2013	2,135,837	1,670,000	465,837
2014	2,135,722	1,720,000	415,722
2015	2,123,071	1,759,999	363,072
2016	1,897,674	1,590,000	307,674
2017-2021	6,584,833	5,715,001	869,832
2022-2026	2,553,936	2,390,000	163,936
	<u>\$ 19,672,266</u>	<u>\$ 16,570,000</u>	<u>\$ 3,102,266</u>

C. Kansas Department of Health and Environment Loans Payable

At December 31, 2011, the City had the following loan outstanding with the Kansas Department of Health and Environment (KDHE):

	Interest Rate	Final Maturity Date	Business-type Activities
Wastewater treatment plant improv	3.26	2018	<u>\$ 3,498,988</u>

The Wastewater treatment plant improvements loan with KDHE, Project C20 1272-01, was amended in 2008, to include an additional \$445,000 of revolving loan line of credit. The funds were used to build a new sewer lift station and SCADA improvements.

The City's loan agreement with KDHE pledge the wastewater revenues as security for payment of the principal and interest amounts. In addition, the agreement directs the City to levy ad valorem taxes without limitation for debt repayment, if the system's revenues are insufficient. The City's intent is to generate adequate system's revenues to meet debt payments.

Annual debt service requirements to maturity for KDHE loans are as follows:

Year Ending Dec 31	Total	Principal	Interest
2012	\$ 563,102	\$ 452,694	\$ 110,408
2013	563,102	467,572	95,530
2014	563,102	482,940	80,162
2015	563,102	498,812	64,290
2016	563,101	515,205	47,896
2017-2018	1,126,203	1,081,765	44,438
	<u>\$ 3,941,712</u>	<u>\$ 3,498,988</u>	<u>\$ 442,724</u>

The City refinanced this KDHE debt through a capital lease agreement in March 2012. See footnote 26.B.

D. Kansas Department of Transportation Loans Payable

Below is a listing of the City's outstanding KDOT loans as of December 31, 2011:

	Interest Rate	Final Maturity Date	Governmental- type Activities
2007 KLINK Project TR0065	3.93%	2012	<u>\$ 36,415</u>

The City's intent is to repay this loan from the general bond and interest fund. The City does have the power to levy ad valorem taxes for this debt.

Annual debt service requirements to maturity for the KDOT loan is as follows:

Year Ending Dec 31	Total	Principal	Interest
2012	<u>\$ 37,755</u>	<u>\$ 36,415</u>	<u>\$ 1,340</u>

E. Other Long-Term Debt

The City has interlocal agreements with the City of Arkansas City, Kansas related to two joint projects – construction of a county-wide animal shelter and extension of water and sewer services for business expansion. The agreements provide for the City of Winfield to make annual payments to Arkansas City for an agreed-upon share of the costs. The City's general fund provides funding for these payments.

Below is a summary of these liabilities at December 31, 2011:

	Governmental Activities
Animal shelter	\$ 26,104
Water/sewer extensions	12,910
	<u>\$ 39,014</u>

The contractual payments to maturity of these interlocal agreements are as follows:

Year Ending Dec 31	Total
2012	\$ 32,524
2013	6,490
	<u>\$ 39,014</u>

F. Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2011 is as follows:

	Balance January 1	Additions	Payments	Balance December 31	Due within one year
Governmental Activities					
General obligation bonds	\$ 11,551,783	\$ -	\$ 1,178,676	\$ 10,373,107	\$ 1,302,085
Capital leases	830,849	-	167,856	662,993	166,323
KDOT loans	71,452	-	35,038	36,414	36,414
Interlocal agreement debt	71,521	-	32,507	39,014	30,911
Net unamortized premiums	22,085	-	3,808	18,277	3,808
Employee compensated absences	287,771	233,359	207,299	313,831	182,031
Net other post employment benefits obligation	87,257	41,319	-	128,576	-
Total long-term liabilities - governmental activities	<u>\$ 12,922,718</u>	<u>\$ 274,678</u>	<u>1,625,184</u>	<u>\$ 11,572,212</u>	<u>\$ 1,721,572</u>

	Balance January 1	Additions	Payments	Balance December 31	Due within one year
Business-type Activities					
KDHE loans	\$ 3,937,275	\$ -	438,287	\$ 3,498,988	\$ 452,694
General obligation bonds	6,618,217	-	421,323	6,196,894	422,915
Refunding cert of participation	445,000	-	445,000	-	-
Capital leases	57,987	-	49,334	8,653	8,653
Net unamortized premiums	51,870	-	3,880	47,990	3,880
Employee compensated absences	372,999	238,561	257,834	353,726	224,973
Net other post employment benefits obligation	95,633	45,273	-	140,906	-
Total long-term liabilities - business-type activities	<u>\$ 11,578,981</u>	<u>\$ 283,834</u>	<u>1,615,658</u>	<u>\$ 10,247,157</u>	<u>\$ 1,113,115</u>

Compensated absences and post employment pension liabilities are paid from the specific governmental funds that pay the employees' salaries and benefits.

G. Conduit Debt Obligations

From time to time the City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2011, there were seven series of Industrial Revenue Bonds (IRBs) outstanding, with an aggregate principal amount payable of \$24,846,074. During 2011, \$4.94 million of IRBs were refunded with \$5.24 million new IRB debt. \$1 million of new IRB debt was issued in 2011.

14. Interest Expense

Below is a summary of the interest expense related to debt for the fiscal year 2011:

	Total Interest Expense	Governmental Activities	Business Activities
General obligation bonds	\$ 541,212	\$ 389,116	\$ 152,096
KDOT TRF loans	2,196	2,196	-
KDHE revolving loans	115,177	-	115,177
Capital leases	33,000	32,000	1,000
Certification of Participation	4,450	-	4,450
	<u>\$ 696,035</u>	<u>\$ 423,312</u>	<u>\$ 272,723</u>

15. Long-Term Operating Leases

The City leases certain equipment and real estate under long-term non-cancelable operating leases from third-party vendors. Below is a summary of the non-cancelable minimum future rental payments at December 31, 2011:

Year Ending December 31	Total	Governmental Activities	Business-type Activities
2012	\$ 36,387	\$ 27,987	\$ 8,400
2013	36,387	27,987	8,400
2014	26,252	17,852	8,400
2015	26,252	17,852	8,400
2016	8,400	-	8,400
2017-2018	14,700	-	14,700
Total minimum future rentals	<u>\$ 148,378</u>	<u>\$ 91,678</u>	<u>\$ 56,700</u>

Expenditures in the government-wide governmental and business-type activities for 2011 include \$28,640 and \$8,400 respectively, of operating lease payments.

16. Inter-fund Transfers

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which the resources are received or reside to the fund in which the resources will be expended. All transfers were budgeted transfers, transfers of resources to the funds actually expending the funds, or construction

fund balances transferred to the bond and interest fund for debt repayment. Below is a summary of 2011 inter-fund cash transfers:

<u>Transfers from</u>	<u>Transfers to</u>			
	General	Bond and Interest	Capital Improv	Nonmajor Gov't'l
Primary Government:				
General	\$ -	\$ -	\$ 890,712	\$ 350,590
Capital Improv	75,000	498,646	-	-
Nonmajor Gov't'l	-	127,519	30,537	20,000
Electric	1,608,915	-	-	20,652
Gas	287,564	-	-	369,300
Water	128,868	-	-	48,278
Refuse	64,846	-	-	-
Cemetery Endow	-	-	-	17
Total Reporting Entity	<u>\$ 2,165,193</u>	<u>\$ 626,165</u>	<u>\$ 921,249</u>	<u>\$ 808,837</u>

<u>Transfers from</u>	<u>Transfers to (continued)</u>		
	Electric		Totals
	Water	Deprec Res	
General	\$ -	\$ -	\$ 1,241,302
Capital Improvements	-	-	573,646
Nonmajor Governmental	-	-	178,056
Electric	229,900	516,000	2,375,467
Gas	401,100	-	1,057,964
Water	-	-	177,146
Refuse	-	-	64,846
Cemetery Endow	-	-	17
Total Reporting Entity	<u>\$ 631,000</u>	<u>\$ 516,000</u>	<u>\$ 5,668,444</u>

In addition, the City transferred funds to the following component units in 2011:

<u>Transfers from</u>	Winfield Public Library	Winfield Emer Mgmt Services
Primary Government:		
Library Fund	\$ 499,085	
General fund		\$ 263,000

17. Interfund Receivables/Payables

A. Advances to/Advances from Other Funds

The City utilizes two internal service funds to account for utility receivables (see note 7.A.) and fleet management inventories. Advances from the general fund and the enterprise utility funds were used to create the internal service funds. These advances are considered to be long-term, and the intent is not to repay these amounts within one year. Below is a summary of the advances to the internal service funds:

	Interfund Advances from	Interfund Advances to
Governmental funds:		
General Fund	\$ 20,265	\$ -
Business-type funds:		
Electric	73,753	-
Gas	6,645	-
Water	2,970	-
Sewer	4,912	-
Subtotal	<u>108,545</u>	<u>-</u>
Nonmajor business-type funds:		
Refuse	<u>7,620</u>	<u>-</u>
Subtotal	<u>7,620</u>	<u>-</u>
Internal Service funds:		
Fleet management	-	70,000
Utility receivables financing	<u>-</u>	<u>46,165</u>
Subtotal	<u>-</u>	<u>116,165</u>
Total	<u>\$ 116,165</u>	<u>\$ 116,165</u>

B. Due to/Due from other Funds

Below is a summary of the due to/due from balances between funds at December 31, 2011:

	Due to	Due from
Major Enterprise fund - Electric fund	\$ 26,813	\$ -
Nonmajor Governmental Fund - Energy grant fund	-	26,813
	<u>\$26,813</u>	<u>\$26,813</u>

18. Net Assets and Fund Balances

A. Net Assets

Net Assets are the excess of all the City's assets over all its liabilities, regardless of fund. Net Assets are divided into three captions under GASB Statement 34. These captions apply only to Net Assets, which are determined only at the Government-wide level, and are described below:

Invested in Capital Assets, net of related debt describes the portion of Net Assets which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Assets whose use is not subject solely to the City's own discretion. This includes resources subject to externally imposed restrictions, such as creditors, grantors, contributors, other governments' regulations, and other enabling legislation. Included in governmental-type restricted assets is \$663,551 of net assets restricted by legally enforceable enabling legislation

Unrestricted describes the portion of Net Assets that is not restricted as to use.

It is the City's policy to apply restricted resources prior to the use of unrestricted resources, when the option is available.

B. Fund Balances

Government Accounting Standards Board (GASB) 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, became effective for the City beginning with fiscal year 2011. The purpose of GASB Statement 54 is to improve the reporting of fund balance. This statement also clarifies certain terms used in the definition of existing governmental fund types so that classifications are more easily understood and can be applied consistently between information reported in the government-wide financial statements and the governmental fund financial statements.

In accordance with GASB Statement 54, the City classifies governmental fund balances as follows:

1. Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
2. Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
3. Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, the city commission, and do not lapse at year-end.
4. Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balances may be assigned by city management.
5. Unassigned includes positive fund balance within the general fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The governmental fund balance classifications and amounts at December 31, 2011, are shown in the following table:

	Total Governmental Funds	General	Bond and Interest	Capital Improvements	Other Non-major Governmental
Nonspendable:					
Advance to Other Funds	\$ 20,265	\$ 20,265	\$ -	\$ -	\$ -
Cemetery	6,000	-	-	-	6,000
	<u>26,265</u>	<u>20,265</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Restricted for:					
Capital Improvements	170,974	-	-	170,974	-
Court Programs	4,276	-	-	-	4,276
Culture/Recreation	79,221	-	-	-	79,221
Debt Service	158,727	-	158,727	-	-
Drug/Alcohol Programs	2,425	-	-	-	2,425
Energy Grant	1,129	-	-	-	1,129
Equipment Acquisition	97,645	-	-	-	97,645
Legal/Uninsured Liabilities	289,521	-	-	-	289,521
Levee Maintenance	59,551	-	-	-	59,551
Library	10,094	-	-	-	10,094
Police/Public Safety	13,397	-	-	-	13,397
Tourism Development	108,183	-	-	-	108,183
	<u>995,143</u>	<u>-</u>	<u>158,727</u>	<u>170,974</u>	<u>665,442</u>
Committed for:					
Capital Improvements	41,601	-	-	-	41,601
Cemetery Improvements	86,750	-	-	-	86,750
Fairgrounds Improvements	78,742	-	-	-	78,742
Streets Maintenance	169,794	-	-	-	169,794
Water Quality Programs	45,252	-	-	-	45,252
	<u>422,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,139</u>
Assigned for:					
Capital Projects	(42,980)	-	-	-	(42,980)
Senior Citizens Programs	9,056	-	-	-	9,056
	<u>(33,924)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,924)</u>
Unassigned	<u>418,171</u>	<u>418,171</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 1,827,794</u>	<u>\$ 438,436</u>	<u>\$ 158,727</u>	<u>\$ 170,974</u>	<u>\$ 1,059,657</u>

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The City does not have a formal minimum fund balance policy.

19. Defined Benefit Pension Plan

Plan description

The City of Winfield participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, et seq. 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 that includes financial statements and require supplementary information. Those may be obtained by writing to KPERS (611 South Kansas Avenue, Suite 100, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

Funding policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4-6% of covered salary. K.S.A. 74-4975 establishes 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. State law provides that the 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. State law sets a limitation on annual increases in the employer contribution rates for KPERS employers. The KPERS employer rate established for the period January 1, 2011 through December 31, 2011 is 7.74%. The City of Winfield employer contributions to KPERS for the years ended December 31, 2011, 2010, and 2009 were \$425,636, \$394,215, and \$359,083, respectively, equal to the statutory required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2011 is 14.57%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City of Winfield contributions to KP&F for the years ended December 31, 2011, 2010, and 2009, were \$377,193, \$364,773, and \$362,978, respectively, equal to the statutory required contributions for each year.

20. Defined Contribution Plan

The City established a 401(a) money purchase deferred compensation plan in 2004 for the benefit of employees. Employees who have reached the top step in their position's pay range, and make a minimum contribution of \$20 per pay period into the City-sponsored 457 plan, are eligible for employer contributions into the 401(a) plan. The plan provides that the City make a matching contribution, up to \$20 per pay period. The City contributed \$68,290 to employee accounts in 2011. The City of Winfield administers the plan, and has the authority for establishing and amending the plan's provisions and contribution requirements. Employees have the option of investing contributions in ING Life Insurance and Annuity Company investments (ING) or IMCA-RC investments.

21. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Employees may choose between the State of Kansas ING 457 plan, or the ICMA plan. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Assets of the plan, valued at current market prices, are held in trust for the benefit of the participants.

All amounts of compensation deferred under the plan as well as earnings attributable to those amounts, are solely the property of the participant employees. Accordingly, the assets and related liabilities for the plan are not recorded in the accompanying financial statements.

22. Flexible Benefit Plan (I.R.C. Section 125)

In a prior year, the City Commission adopted by resolution a salary reduction flexible benefit plan (-Plan") under Section 125 of the Internal Revenue Code. All permanent full-time employees are eligible to participate in the Plan beginning after one full month of employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Benefits offered through the Plan include various health and disability benefits.

23. Postemployment Health Care Plan

Plan Description

The City sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to eligible early retirees, including medical and dental coverage. K.S.A. 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan

The City requires retirees to pay the same premiums charged to COBRA participants with a 2% additional charge for administrative expenses. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45).

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies.

Funding Policy

GASB Statement 45 does not require funding of the OPEB liability, and the City has chosen not to fund it. City policy dictates the payment of retiree claims as they become due. Plan participants contributed approximately \$93,200 to the Plan (102% of total premiums) through their required contribution of \$937.33 per month for family coverage and \$408 for retiree-only coverage.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. GASB Statement 45 requires an actuarial study to be performed at a minimum biennially. The latest actuarial valuation date is January 1, 2010. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Plan:

Annual required contribution (ARC)	\$ 116,719
Interest on net OPEB obligation	4,815
Adjustment to annual required contribution	(6,265)
Annual OPEB cost (expense)	115,269
Expected employer contribution, net	(28,678)
Change in net OPEB obligation	86,591
Net OPEB obligation - beginning of year	182,891
Net OPEB obligation - end of year	<u>\$ 269,482</u>

Funded Status and Funding Progress

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2011 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Net Employer Contributions	Net OPEB Obligation
12-31-2008	\$ 96,300	\$ 18,334	\$ 77,966
12-31-2009	18,334	-	96,300
12-31-2010	115,269	28,678	182,891
12-31-2011	115,269	28,678	269,482

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2010 actuarial valuation, the projected unit credit method was applied. The actuarial assumptions included a 5 percent investment rate of return, which is a blended rate of the expected long-term investment returns on the City's pooled funds and investments. The valuation assumed annual healthcare cost trend rates of six to seven percent in years 2010-2011, and an ultimate rate of five percent after 2011. Salaries expense and inflation are projected to increase four percent annually. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results. The UAAL is being amortized as a level dollar over an open thirty-year period.

24. Risk Management

The City's insurance coverage consists of both self-insurance and policies maintained with various carriers. The City uses four internal service funds to address four risk areas – general risk management, workers' compensation, health insurance, and short-term disability insurance. The City records liabilities for known claims and estimated liabilities incurred but not reported at year-end. These claims are reflected under accounts payable and accrued liabilities in the internal service funds.

A. Risk Management Reserve

Established in 1987 according to the provisions of K.S.A. 12-2615, this fund provides for paying for insurance premiums, deductibles, excess liability losses, uninsured losses, and insurable losses not otherwise covered. Insurance deductibles vary by type of property insurance coverage. The City purchases commercial insurance coverage for all substantial areas of risk, including property loss, auto liability, boiler and machinery, general and public officials' liability. Insurance policy premiums are paid through both individual funds and the risk management fund. Insurance settlements did not exceed insurance coverage in 2011 or the prior two years.

The following is a summary in changes of liability activity under the plan for 2011 and the prior two years:

	2011	2010	2009
Liability balance, beginning	\$ 2,601	\$ 350	\$ -
Claims	161,437	125,914	361,143
Less insurance/other reimbursements	(180,903)	(221,279)	(380,533)
Total costs incurred	(16,865)	(95,015)	(19,390)
Less claims paid	28,055	97,616	19,740
Liability balance, ending	<u>\$ 11,190</u>	<u>\$ 2,601</u>	<u>\$ 350</u>

B. Workers' Compensation Fund

In past years, the City has maintained a partially self-funded workers' compensation program to cover substantially all full-time and part-time employees of the City. On September 24, 2011, the City obtained full workers' compensation insurance coverage through the Kansas Eastern Region Insurance Trust (KERIT). All claims incurred after September 24, 2011 are covered through the KERIT insurance coverage. For the period January 1, 2011 through September 24, 2011, the City had insurance coverage for excess claims, as summarized below:

All employee	\$ 350,000
Employers' liability limit	1,000,000
Aggregate retention	1,421,546

Workers' Compensation Insurance settlements did not exceed insurance coverage in 2011 or the prior two years. Two employees' cumulative claims stemming from prior years' work-injury incidents did exceed the City's excess claims coverage. All claims related to these two incidents, originating in 1998 and 2001, are being paid through the excess coverage insurance policy, and not a claims liability for the City.

The following represents the changes in the liability activity of the self-funded worker's compensation program for 2011 (through September 24) and the prior two years:

	2011	2010	2009
Liability balance, beginning	\$ 67,252	\$ 6,969	\$ 9,650
Claims incurred	147,192	155,171	139,283
Less insurance coverage reimbursements	(9,381)	(6,969)	(56,624)
Total costs incurred	205,063	155,171	92,309
Less claims paid	(103,070)	(87,919)	(85,340)
Liability balance, ending	<u>\$ 101,993</u>	<u>\$ 67,252</u>	<u>\$ 6,969</u>

C. Health Insurance Reserve

The City created the health insurance reserve in 1993, the purpose to accumulate monies to eventually fund a partially self-insured health insurance program. Funds accumulated may be used to pay excess losses, health claims, partial payments of health insurance premiums for employees, and other miscellaneous health insurance related expenses. Annual funding is provided by contributions from other funds, as determined by management in the budgeting process. Health insurance premiums are paid through this reserve fund, and funding is handled through contributions from other funds. The employee health insurance program is a fully insured program with health insurance offered to substantially all full-time employees of the City. Employee health insurance in 2011 was provided through Blue Cross Blue Shield. At December 31, 2011, the City had \$138,306 of net assets available for future health insurance premiums. The funds are being retained to stabilize future premium increases and provide a reserve, if the City should choose to self-insure in the future.

D. Short Term Disability Reserve

This reserve was created in 1997 to provide financial assistance to regular employees following sixty days of continuous disability. The benefit amounts to 50% of pre-disability weekly gross earnings up to a maximum weekly benefit of \$650, and is payable to an employee for a maximum of twenty-six weeks immediately following completion of the sixty-day waiting period. An employee may receive this benefit for a maximum of

fifty-two weeks over his/her career with the City. At December 31, 2011, the City had \$205,351 of net assets available for short term disability benefits to employees.

25. Contingencies and Commitments

A. Encumbrances:

At December 31, 2011, the City had the following amounts encumbered:

Governmental-type Funds:	
General Fund	\$ 8,717
Capital Improvements	56,413
NonMajor Funds:	
Special Streets	20,692
Business-type Funds:	
Electric utility fund	276,661
Gas utility fund	658
Water utility fund	459,392
Wastewater utility fund	660
Internal Service funds:	
Management Services	1,055
Risk Management	<u>145,476</u>
Total entity-wide encumbrances	<u><u>\$ 969,724</u></u>

B. Electric Purchase Commitments

Kansas Power Pool

The City became a member of the Kansas Power Pool (KPP), a municipal energy agency, in January of 2005. KPP was created to provide economic benefits to its member cities, through coordination of collective electrical resources, facilities and loads. The city has power supply contracts with the Kansas Municipal Energy Agency (KMEA) for power supply from the Grand River Dam Authority (GRDA), and the Kansas City, Kansas Board of Public Utilities' Nearman Generation. The scheduling responsibilities for those contracts and the City's contract with the Southwestern Power Administration (SPA) have been assigned to KPP. That agency manages power supply on behalf of the City. The contracts with KMEA for GRDA Power and for Nearman Generation are in force through December 31, 2018 and May 31, 2022, respectively. KPP has entered into transmission arrangements with the Southwest Power Pool on behalf of the City. The City terminated its SPA power supply arrangement through KMEA in 2010, and entered into a contract directly with SPA. This contract is in force through May 31, 2025. In September 2011, the City entered into a twenty-year power purchase contract with KPP, to purchase all of the City's required electrical power.

The payment and scheduling responsibilities under all these contracts have all been assigned to KPP, and all billings and payments are handled through KPP. Payment responsibility for each of these contracts remains with the city for the full term of each contract and would be under the respective contract conditions should the city withdraw from KPP.

C. Gas Purchase Commitments

At December 31, 2011, the City was committed to purchase the following gas volumes for 2012:

January – March 2012	140,000 MMBTU @ \$598,305
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D. Gas Litigation

The City joined together with seventeen other municipalities in 2003 to file a civil action suit under the federal antitrust laws for overcharges in natural gas prices incurred by municipal gas systems that have taken place in the last four years and projected to continue into the future. The complaint was filed against five major natural gas companies. At December 31, 2011, the lawsuit remained underway, with no monetary developments to disclose.

E. Kansas Disability Coalition Interim Settlement Agreement

The City was party to a lawsuit initiated by the Kansas Disability Coalition in 2006, and agreed to an interim settlement in August 2006. The provisions of the agreement require the City to achieve reasonable compliance with Title II of the American with Disabilities Act of 1990. A final court-approved agreement will be reached after the City completes and adopts a self-evaluation and transition plan for ADA compliance. Implementation of the transition plan will be over a 10 year period. At December 31, 2011, the City has expended \$621,786 in costs related to this plan.

F. Other Legal Matters

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when it is probable that a liability has been incurred and the amount can be reasonably estimated. The City is defending its interest in various legal actions and claims against the City presently pending involving various miscellaneous claims, including workers' compensation claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. In the opinion of management and its legal counsel, the probability of material aggregate liabilities resulting from these claims will not have an adverse material effect on the City's financial statements.

26. Subsequent Events

A. Capital Lease Refinancing

In February 2012, the City refinanced the capital lease for the aerial fire truck, lease balance \$460,000, with a local banking institution. The lease length and principal amount were not adjusted. The refinancing created a net cash flow savings of approximately \$20,000. See footnote 13.A. for 2011 capital lease details.

B. KDHE Wastewater Treatment Plant Loan Refinancing

In March 2012, the City refinanced the balance of the KDHE wastewater treatment plant loan, \$3,274,470, with a consortium of four local banking institutions. The refinancing resulted in a capital lease purchase agreement, in the amount of \$3,305,000. The lease term length was not adjusted. Net cash flow savings amounted to approximately \$95,000. See footnote 13.C. for the KDHE loan detail.

C. Gottlob Business Park

In April 2012, the City established Gottlob Business Park, an industrial and economic development project of approximately 100 acres. The new park is adjacent to the existing Winfield Industrial Park. A development agreement was made with Insite Winfield LLC for the City to provide road improvements, and, electric, water, sewer, and gas utility improvements to a 40 acre area, owned by Insite Winfield LLC. In conjunction with this project, the City purchased 60 acres of land, adjoining the Insite land. This land is to be held for future industrial and economic development. The project will be funded with temporary notes in 2012.

D. 2012 Temporary Notes

The City commission authorized the sale of general obligation temporary notes, Series 2012-1, in the amount of \$3,955,918.47 on June 18, 2012. These temporary notes are to finance the water tower improvement project (see note 11), \$562,060, and water, sewer, and main trafficway improvements for the Gottlob Business Park (see note 26.C), \$3,393,858.

E. 2012 General Obligation Refunding Bonds

The City commission authorized the sale of general obligation refunding bonds, 2012-A, on June 18, 2012. The refunding bonds will be issued to refund GO Bonds 2002-B, \$645,000, and 2003-A, \$1,155,000, to achieve an interest cost savings. See note 12.B. for reference to the bonds being refunded.



FINANCIAL Section

Supplemental Information

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted by either the City Commission or by outside entities for expenditures for specific purposes.

Flood Control – Maintenance costs of the flood levee are paid from this fund.

Special Parks and Recreation – Park and park equipment upgrades are paid from this fund. K.S.A. 79-49a102 requires one-third of the 10% gross receipts tax on the sale of alcoholic liquor be deposited into this fund for park enhancements.

Special Alcohol Program – Transfers are made from this fund to the City's D.A.R.E. Program fund. K.S.A. 79-49a102 requires one-third of the 10% gross receipts tax on the sale of alcoholic liquor to be deposited into this fund for expenses of drug and alcohol education, treatment, or prevention programs.

Law Enforcement Trust – K.S.A. 60-4117 requires the City to deposit the net proceeds of sales of forfeited property and moneys related to controlled substances activities to be deposited into a separate fund. Appropriations from this fund are not to be used to meet normal operating expenses of the police department. The statute defines allowable expenditures.

Water Preservation - Created in 2004 to provide funding for programs to protect the upstream quality of water flowing into the Winfield City Lake, the primary water source for the City of Winfield. A portion of annual lake permit fees and two cents for every one-thousand gallons of water usage billed provide the revenue sources for this fund.

Senior Citizen Facility – Senior Citizen Center expenses are paid from this fund. Funds are received from the Cowley County Council on Aging for this purpose.

Special Liability – City and City employee legal defense costs and various uninsured risk costs may be paid from this fund. Under K.S.A. 75-6110, the City levies property taxes to provide funding for this purpose.

Special Streets and Highway – Street and highway-related maintenance expenses are paid from this fund. The State of Kansas gasoline tax allotments are the primary funding source, and must be used for this purpose.

Industrial Development – Industrial and economic development related expenses are paid from this fund. Kansas statutes authorize the City to levy property taxes to provide funding for this purpose.

Tourism and Convention – Local tourism and convention promotional expenses are paid from this fund. Transient guest taxes are the primary funding source, received through the State of Kansas.

Fairgrounds Improvements – Cowley County Fairgrounds maintenance and improvement expenses may be paid from this fund. Fairgrounds facilities usage fees are the primary funding source.

Drug Task Force – Cowley County and the cities of Arkansas City and Winfield share drug task force duties within Cowley County, and utilize this fund to centrally manage and share drug task forces costs and funding sources.

Cemetery Improvement – Cemetery operations and maintenance expenses may be paid from this fund. One-third of the sales proceeds of each cemetery space and “pre-need” payments are the primary funding sources.

Public Library – Property taxes are levied for library operations. The City receives these collections from Cowley County, and remits to the Winfield Public Library, to be used for library operations.

NONMAJOR GOVERNMENTAL FUNDS (continued)

Equipment Reserve - Transfers from other funds are accumulated to this fund, to provide for future equipment purchases.

Special Improvements – This fund acts as a revolving fund to provide working capital to finance the initial costs of projects eventually paid for through special assessments to property owners in a benefit district.

Baden Hall Restoration – The City owned Baden Hall, a building to be renovated in Baden Square. Private contributions from citizens and St. John Alumni, designated for the renovation of Baden Hall, have been accumulated in this fund. The building was sold in 2011 to a developer, for renovation for a twenty four unit apartment building.

Grants and Contributions – Federal and state grants and contributions from private enterprise for general government type projects are funneled through this fund, for tracking and compliance purposes.

Alcohol and Drug Safety Action – Assessment fees collected by the municipal court in accordance with K.S.A. 8-1008, for alcohol or drug related charges, are deposited into this fund. Moneys are to be used only for court expenses involved in administering the provisions of the statute.

Energy Manager Grant – The City received a two year Energy Manager's Grant in 2010, through the Kansas Corporation Commission (KCC) and the Federal Department of Energy. The purpose of the grant is to provide financial assistance for hiring an energy manager and for outreach and education in the community. This fund tracks the grant revenues and expenditures.

Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major facilities, and for building and general improvements of city-owned structures and facilities, other than those financed by special revenue and enterprise funds.

Country Club Villa – The city authorized initial costs for streets and sewer line construction to this housing development in 2008. The project was postponed late in 2008, at the developer's request, and remains on hold.

KLINK 2010/2011 Project – A street resurfacing project on a main trafficway of the city was completed in 2010. KDOT paid for 50% of the project, and the balance was financed by the city through general obligation bonds.

Permanent Fund

Cemetery Endowment – This endowment from a citizen prohibits the use of the principal, and only the investment earnings can be used for cemetery improvements.

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CITY OF WINFIELD, KANSAS

Nonmajor Governmental Funds Combining Balance Sheet December 31, 2011

	Special Revenue Funds					
	Flood Control	Special Parks and Recreation	Special Alcohol Program	Law Enforcement Trust	Water Preservation	Senior Citizen Facility
ASSETS						
Pooled cash and investments	\$ 59,551	\$ 79,221	\$ 2,425	\$ 4,763	\$ 47,661	\$ 9,056
Taxes receivable	-	-	-	-	-	-
Due from other governmental agencies	-	-	-	-	-	-
Total assets	<u>\$ 59,551</u>	<u>\$ 79,221</u>	<u>\$ 2,425</u>	<u>\$ 4,763</u>	<u>\$ 47,661</u>	<u>\$ 9,056</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,409	\$ -
Due to other funds	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,409</u>	<u>-</u>
Fund balances						
Nonspendable:	-	-	-	-	-	-
Restricted for:						
Court programs	-	-	-	-	-	-
Culture/recreation	-	79,221	-	-	-	-
Drug/alcohol programs	-	-	2,425	-	-	-
Tourism development	-	-	-	-	-	-
Energy grant	-	-	-	-	-	-
Equipment acquisition	-	-	-	-	-	-
Legal/uninsured liabilities	-	-	-	-	-	-
Levee maintenance	59,551	-	-	-	-	-
Library	-	-	-	-	-	-
Police/public safety	-	-	-	4,763	-	-
Committed for:						
Capital improvements	-	-	-	-	-	-
Cemetery improvements	-	-	-	-	-	-
Fairgrounds improvements	-	-	-	-	-	-
Streets maintenance	-	-	-	-	-	-
Water quality programs	-	-	-	-	45,252	-
Assigned for:						
Capital projects	-	-	-	-	-	-
Senior citizens programs	-	-	-	-	-	9,056
Total fund balances	<u>59,551</u>	<u>79,221</u>	<u>2,425</u>	<u>4,763</u>	<u>45,252</u>	<u>9,056</u>
Total liabilities and fund balances	<u>\$ 59,551</u>	<u>\$ 79,221</u>	<u>\$ 2,425</u>	<u>\$ 4,763</u>	<u>\$ 47,661</u>	<u>\$ 9,056</u>

Special Revenue Funds

Special Liability	Special Streets and Highway	Industrial Development	Tourism and Convention	Fairgrounds Improvements	Drug Task Force	Cemetery Improvement
\$ 290,609	\$ 162,514	\$ -	\$ 113,222	\$ 78,742	\$ 9,192	\$ 86,750
117,851	-	11,944	-	-	-	-
-	15,279	-	-	-	-	-
<u>\$ 408,460</u>	<u>\$ 177,793</u>	<u>\$ 11,944</u>	<u>\$ 113,222</u>	<u>\$ 78,742</u>	<u>\$ 9,192</u>	<u>\$ 86,750</u>
\$ 1,088	\$ 7,999	\$ -	\$ 5,039	\$ -	\$ 558	\$ -
-	-	-	-	-	-	-
117,851	-	11,944	-	-	-	-
<u>118,939</u>	<u>7,999</u>	<u>11,944</u>	<u>5,039</u>	<u>-</u>	<u>558</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	108,183	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
289,521	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	8,634	-
-	-	-	-	-	-	-
-	-	-	-	-	-	86,750
-	-	-	-	78,742	-	-
-	169,794	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>289,521</u>	<u>169,794</u>	<u>-</u>	<u>108,183</u>	<u>78,742</u>	<u>8,634</u>	<u>86,750</u>
<u>\$ 408,460</u>	<u>\$ 177,793</u>	<u>\$ 11,944</u>	<u>\$ 113,222</u>	<u>\$ 78,742</u>	<u>\$ 9,192</u>	<u>\$ 86,750</u>

(Continued)

CITY OF WINFIELD, KANSAS

Nonmajor Governmental Funds Combining Balance Sheet December 31, 2011

	Special Revenue Funds				
	Public Library	Equipment Reserve	Special Improvements	Baden Hall Restoration	Grants and Contributions
ASSETS					
Pooled cash and investments	\$ 10,094	\$ 74,514	\$ 41,601	\$ -	\$ 23,586
Taxes receivable	440,323	-	-	-	-
Due from other governmental agencies	-	-	-	-	-
Total assets	<u>\$ 450,417</u>	<u>\$ 74,514</u>	<u>\$ 41,601</u>	<u>\$ -</u>	<u>\$ 23,586</u>
LIABILITIES AND FUND BALANCES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 455
Due to other funds	-	-	-	-	-
Deferred revenues	440,323	-	-	-	-
Total liabilities	<u>440,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>455</u>
Fund balances					
Nonspendable:	-	-	-	-	-
Restricted for:					
Court programs	-	-	-	-	-
Culture/recreation	-	-	-	-	-
Drug/alcohol programs	-	-	-	-	-
Tourism development	-	-	-	-	-
Energy grant	-	-	-	-	-
Equipment acquisition	-	74,514	-	-	23,131
Legal/uninsured liabilities	-	-	-	-	-
Levee maintenance	-	-	-	-	-
Library	10,094	-	-	-	-
Police/public safety	-	-	-	-	-
Committed for:					
Capital improvements	-	-	41,601	-	-
Cemetery improvements	-	-	-	-	-
Fairgrounds improvements	-	-	-	-	-
Streets maintenance	-	-	-	-	-
Water quality programs	-	-	-	-	-
Assigned for:					
Capital projects	-	-	-	-	-
Senior citizens programs	-	-	-	-	-
Total fund balances	<u>10,094</u>	<u>74,514</u>	<u>41,601</u>	<u>-</u>	<u>23,131</u>
Total liabilities and fund balances	<u>\$ 450,417</u>	<u>\$ 74,514</u>	<u>\$ 41,601</u>	<u>\$ -</u>	<u>\$ 23,586</u>

Special Revenue Funds		Capital Project Funds		Permanent Fund	TOTALS
Alcohol & Drug Safety Action	Energy Manager Grant	Country Club Villa Improvmts	KLINK 2010/2011 Street Improv	Cemetery Endowment	
\$ 4,276	\$ 1,487	\$ -	\$ -	\$ 6,000	\$ 1,105,264
-	-	-	-	-	570,118
-	27,744	-	-	-	43,023
<u>\$ 4,276</u>	<u>\$ 29,231</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 1,718,405</u>
\$ -	\$ 1,289	\$ -	\$ -	\$ -	\$ 18,837
-	26,813	42,980	-	-	69,793
-	-	-	-	-	570,118
-	28,102	42,980	-	-	658,748
-	-	-	-	6,000	6,000
4,276	-	-	-	-	4,276
-	-	-	-	-	79,221
-	-	-	-	-	2,425
-	-	-	-	-	108,183
-	1,129	-	-	-	1,129
-	-	-	-	-	97,645
-	-	-	-	-	289,521
-	-	-	-	-	59,551
-	-	-	-	-	10,094
-	-	-	-	-	13,397
-	-	-	-	-	41,601
-	-	-	-	-	86,750
-	-	-	-	-	78,742
-	-	-	-	-	169,794
-	-	-	-	-	45,252
-	-	(42,980)	-	-	(42,980)
-	-	-	-	-	9,056
<u>4,276</u>	<u>1,129</u>	<u>(42,980)</u>	<u>-</u>	<u>6,000</u>	<u>1,059,657</u>
<u>\$ 4,276</u>	<u>\$ 29,231</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 1,718,405</u>

(Concluded)

CITY OF WINFIELD, KANSAS

Nonmajor Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue Funds					
	Flood Control	Special Parks and Recreation	Special Alcohol Program	Law Enforcement Trust	Water Preservation	Senior Citizen Facility
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	21,256	21,256	-	-	4,000
Charges for services	-	14,350	-	-	-	-
Interest	173	177	8	8	149	32
Other	10,960	11,575	2,500	4,460	-	2,540
Total revenues	<u>11,133</u>	<u>47,358</u>	<u>23,764</u>	<u>4,468</u>	<u>149</u>	<u>6,572</u>
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	25,728	528	-	-
Public works	5,238	-	-	-	-	-
Cemetery	-	-	-	-	-	-
Culture and recreation	-	10,563	-	-	-	9,140
Health and welfare	-	-	-	-	40,350	-
Economic development	-	-	-	-	-	-
Debt service:						
Capital lease principal payments	-	-	-	-	-	-
Capital lease interest payments	-	-	-	-	-	-
Total expenditures	<u>5,238</u>	<u>10,563</u>	<u>25,728</u>	<u>528</u>	<u>40,350</u>	<u>9,140</u>
Revenues over (under) expenditures	<u>5,895</u>	<u>36,795</u>	<u>(1,964)</u>	<u>3,940</u>	<u>(40,201)</u>	<u>(2,568)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	58,654	500
Transfers out	(10,958)	(9,042)	-	-	(30,537)	-
Total other financing sources (uses)	<u>(10,958)</u>	<u>(9,042)</u>	<u>-</u>	<u>-</u>	<u>28,117</u>	<u>500</u>
Net change in fund balances	<u>(5,063)</u>	<u>27,753</u>	<u>(1,964)</u>	<u>3,940</u>	<u>(12,084)</u>	<u>(2,068)</u>
Fund balances, January 1	<u>64,614</u>	<u>51,468</u>	<u>4,389</u>	<u>823</u>	<u>57,336</u>	<u>11,124</u>
Fund balances, December 31	<u>\$ 59,551</u>	<u>\$ 79,221</u>	<u>\$ 2,425</u>	<u>\$ 4,763</u>	<u>\$ 45,252</u>	<u>\$ 9,056</u>

Special Revenue Funds

Special Liability	Special Streets and Highway	Industrial Development	Tourism and Convention	Fairgrounds Improvements	Drug Task Force	Cemetery Improvement
\$ 137,443	\$ -	\$ 15,373	\$ -	\$ -	\$ -	\$ -
-	421,517	-	81,501	-	15,000	-
-	-	-	1,965	11,443	-	10,002
983	538	72	299	204	37	230
660	1,708	-	10,953	18,000	6,871	600
<u>139,086</u>	<u>423,763</u>	<u>15,445</u>	<u>94,718</u>	<u>29,647</u>	<u>21,908</u>	<u>10,832</u>
191,995	-	-	-	-	-	-
-	-	-	-	-	26,697	-
-	645,856	-	-	-	-	-
-	-	-	-	-	-	6,360
-	-	-	-	19,163	-	-
-	-	-	-	-	-	-
-	-	72,118	103,565	-	-	-
-	35,012	-	-	-	-	-
-	4,159	-	-	-	-	-
<u>191,995</u>	<u>685,027</u>	<u>72,118</u>	<u>103,565</u>	<u>19,163</u>	<u>26,697</u>	<u>6,360</u>
<u>(52,909)</u>	<u>(261,264)</u>	<u>(56,673)</u>	<u>(8,847)</u>	<u>10,484</u>	<u>(4,789)</u>	<u>4,472</u>
-	285,000	26,652	-	-	-	17
-	(75,000)	-	-	-	-	-
-	210,000	26,652	-	-	-	17
(52,909)	(51,264)	(30,021)	(8,847)	10,484	(4,789)	4,489
342,430	221,058	30,021	117,030	68,258	13,423	82,261
<u>\$ 289,521</u>	<u>\$ 169,794</u>	<u>\$ -</u>	<u>\$ 108,183</u>	<u>\$ 78,742</u>	<u>\$ 8,634</u>	<u>\$ 86,750</u>

(Continued)

CITY OF WINFIELD, KANSAS
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue Funds				
	Public Library	Equipment Reserve	Special Improvements	Baden Hall Restoration	Grants and Contributions
Revenues					
Property taxes	\$ 513,910	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Interest	-	9	114	247	58
Other	-	-	-	-	11,785
Total revenues	513,910	9	114	247	11,843
Expenditures					
General government	-	-	-	248,000	-
Public safety	-	-	-	-	8,064
Public works	-	-	-	-	-
Cemetery	-	-	-	-	-
Culture and recreation	503,816	-	-	-	-
Health and welfare	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service:					
Capital lease principal payments	-	-	-	-	-
Capital lease interest payments	-	-	-	-	-
Total expenditures	503,816	-	-	248,000	8,064
Revenues over (under) expenditures	10,094	9	114	(247,753)	3,779
Other financing sources (uses)					
Transfers in	-	74,504	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	74,504	-	-	-
Net change in fund balances	10,094	74,513	114	(247,753)	3,779
Fund balances, January 1	-	1	41,487	247,753	19,352
Fund balances, December 31	\$ 10,094	\$ 74,514	\$ 41,601	\$ -	\$ 23,131

Special Revenue Funds		Capital Projects Funds		Permanent Fund	TOTALS
Alcohol & Drug Safety Action	Energy Manager Grant	Country Club Villa Improvmts	KLINK 2010/2011 Street Improv	Cemetery Endowment	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 666,726
-	79,744	-	-	-	644,274
-	-	-	-	-	37,760
9	127	-	-	17	3,491
-	-	-	-	-	82,612
9	79,871	-	-	17	1,434,863
-	78,742	-	-	-	518,737
-	-	-	-	-	61,017
-	-	-	-	-	651,094
-	-	-	-	-	6,360
-	-	-	-	-	542,682
-	-	-	-	-	40,350
-	-	-	-	-	175,683
-	-	-	-	-	35,012
-	-	-	-	-	4,159
-	78,742	-	-	-	2,035,094
9	1,129	-	-	17	(600,231)
210	-	-	-	-	445,537
-	-	-	(32,519)	(17)	(158,073)
210	-	-	(32,519)	(17)	287,464
219	1,129	-	(32,519)	-	(312,767)
4,057	-	(42,980)	32,519	6,000	1,372,424
\$ 4,276	\$ 1,129	\$ (42,980)	\$ -	\$ 6,000	\$ 1,059,657

(Concluded)

CITY OF WINFIELD, KANSAS

DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues and other sources:			
Taxes:			
Property	\$ 686,620	702,705	\$ 16,085
Special assessments	207,845	207,926	81
Other revenues:			
Interest income	2,500	698	(1,802)
Payments from other governmental entities, debt payment shares	31,437	31,437	-
Transfers in	1,316,346	1,287,689	(28,657)
Total revenues and other sources	<u>2,244,748</u>	<u>2,230,455</u>	<u>(14,293)</u>
Expenditures and other uses:			
Debt interest payments	702,883	561,452	141,431
Debt principal payments	1,562,177	1,635,038	(72,861)
Transfer to other fund for debt payment	100,000	-	100,000
Neighborhood Revitalization	6,497	6,453	44
Total expenditures and other uses	<u>2,371,557</u>	<u>2,202,943</u>	<u>168,614</u>
Revenues and other sources over (under) expenditures and other uses	(126,809)	27,512	154,321
Unencumbered fund balance, Jan 1	<u>142,159</u>	<u>131,214</u>	<u>(10,945)</u>
Unencumbered fund balance, Dec 31	<u>\$ 15,350</u>	<u>\$ 158,726</u>	<u>\$ 143,376</u>

CITY OF WINFIELD, KANSAS

Nonmajor Capital Projects Fund Country Club Villas Water, Streets and Drainage Improvements

Schedule of Revenues, Expenditures, and Changes in Fund Balances From Inception and for the Year ended December 31, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Expenditures:				
Improvement projects	<u>\$ 42,980</u>	<u>\$ -</u>	<u>\$ 42,980</u>	<u>\$ 177,000</u>
Other financing sources (uses):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(42,980)	-	-	<u><u>\$ (177,000)</u></u>
Fund balance-beginning of year	<u>-</u>	<u>(42,980)</u>	<u>(42,980)</u>	
Fund balance - end of year	<u><u>\$ (42,980)</u></u>	<u><u>\$ (42,980)</u></u>	<u><u>\$ (42,980)</u></u>	

CITY OF WINFIELD, KANSAS

Nonmajor Capital Projects Fund KLINK 2010/2011 Street Improvements

Schedule of Revenues, Expenditures, and Changes in Fund Balances From Inception and for the Year ended December 31, 2011

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Expenditures:				
Improvement projects	\$ 348,648	\$ -	\$ 348,648	\$ 452,000
Other financing sources (uses):				
Debt proceeds interest income	155	-	155	-
General obligation bond proceeds	212,637	-	212,637	252,000
Debt issuance costs	(1,192)	-	(1,192)	-
KDOT KLINK funds	169,567	-	169,567	200,000
Transfer to bond and interest fund	<u> </u>	<u>(32,519)</u>	<u>(32,519)</u>	<u> </u>
Total other financing sources (uses)	<u>381,167</u>	<u>(32,519)</u>	<u>348,648</u>	<u>452,000</u>
Net change in fund balances	32,519	(32,519)	-	<u><u>\$ -</u></u>
Fund balance-beginning of year	<u>-</u>	<u>32,519</u>	<u>-</u>	
Fund balance - end of year	<u><u>\$ 32,519</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the City Commission is to finance or recover the costs of providing goods or services to the general public on a continuing basis primarily through user charges; or the City Commission has decided that periodic determination of net income is appropriate for accountability purposes.

Refuse - The Refuse Fund is used to account for revenues and expenses related to the operation and maintenance of the refuse collection and recycling programs operated by the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and capital improvements. In addition, a pro-rata portion of administration, utility billings, and collection expenses are charged to this fund from the management services fund.

Stormwater Drainage – The stormwater drainage fund was established in 1996 to fund major drainage projects throughout the City. Stormwater drainage fees are charged to city utility customers through the utility bills.

Quail Ridge Golf Course - Quail Ridge Golf course is an eighteen hole golf course owned and operated by the City. The golf course revenues consist of memberships, rounds fees, cart rentals, and driving range fees.

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CITY OF WINFIELD, KANSAS

NONMAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET ASSETS December 31, 2011

	Refuse	Stormwater Drainage	Quail Ridge Golf Course	Total
Assets				
Current assets				
Cash and temporary investments	\$ 716,699	\$ 161,891	\$ 14,125	\$ 892,715
Utility billing receivables, net	125,787	15,762	-	141,549
Inventories	-	-	28,191	28,191
Total current assets	<u>842,486</u>	<u>177,653</u>	<u>42,316</u>	<u>1,062,455</u>
Capital Assets:				
Land	3,503	-	399,949	403,452
Buildings	60,157	-	514,636	574,793
Improvements other than buildings	-	4,791,897	2,535,025	7,326,922
Machinery, equipment, other	1,146,804	14,823	478,419	1,640,046
Less accumulated depreciation	(950,882)	(606,134)	(2,775,251)	(4,332,267)
Net capital assets	<u>259,582</u>	<u>4,200,586</u>	<u>1,152,778</u>	<u>5,612,946</u>
Other assets				
Advances to internal service funds	7,620	-	-	7,620
Deferred bond issuance costs	-	5,651	-	5,651
Investment in joint venture	45,817	-	-	45,817
Total other assets	<u>53,437</u>	<u>5,651</u>	<u>-</u>	<u>59,088</u>
Total assets	<u>1,155,505</u>	<u>4,383,890</u>	<u>1,195,094</u>	<u>6,734,489</u>
Liabilities				
Current liabilities				
Accounts payable	32,556	-	20,909	53,465
Accrued interest payable	-	2,907	-	2,907
Current portion of compensated absences	16,012	-	6,807	22,819
Current portion of long-term debt	-	83,755	-	83,755
	<u>48,568</u>	<u>86,662</u>	<u>27,716</u>	<u>162,946</u>
Noncurrent liabilities				
General obligation refunding bonds payable	-	352,286	-	352,286
Deferred premium on refunding bonds	-	3,199	-	3,199
Accrued compensated absences	12,148	-	-	12,148
Net OPEB obligation	11,980	-	5,520	17,500
	<u>24,128</u>	<u>355,485</u>	<u>5,520</u>	<u>385,133</u>
Total liabilities	<u>72,696</u>	<u>442,147</u>	<u>33,236</u>	<u>548,079</u>
Net Assets				
Invested in capital assets, net of related debt	259,582	3,761,346	1,152,778	5,173,706
Unrestricted	823,227	180,397	9,080	1,012,704
Total net assets	<u>\$ 1,082,809</u>	<u>\$3,941,743</u>	<u>\$ 1,161,858</u>	<u>\$ 6,186,410</u>

CITY OF WINFIELD, KANSAS

NONMAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2011

	Refuse	Stormwater Drainage	Quail Ridge Golf Course	Total
Operating revenues				
Charges for services and sales	\$ 1,384,184	\$ 149,476	\$ 457,582	\$ 1,991,242
Other	10,103	285	1,822	12,210
Total operating revenues	<u>1,394,287</u>	<u>149,761</u>	<u>459,404</u>	<u>2,003,452</u>
Operating expenses				
Services and supplies	1,190,713	43,842	586,897	1,821,452
Depreciation	54,458	70,147	166,076	290,681
Total operating expenses	<u>1,245,171</u>	<u>113,989</u>	<u>752,973</u>	<u>2,112,133</u>
Operating income (loss)	<u>149,116</u>	<u>35,772</u>	<u>(293,569)</u>	<u>(108,681)</u>
Non-operating revenues (expenses)				
Interest income	2,025	494	-	2,519
Loss on joint venture	(767)	-	-	(767)
Amortization of debt issuance costs	-	(577)	(5,917)	(6,494)
Interest expense	(453)	(9,006)	(3,517)	(12,976)
Other	(985)	-	-	(985)
Total non-operating revenues (expenses)	<u>(180)</u>	<u>(9,089)</u>	<u>(9,434)</u>	<u>(18,703)</u>
Net income (loss) before transfers	148,936	26,683	(303,003)	(127,384)
Capital contributions and transfers:				
Transfers - Payments in lieu of franchise fees	(64,846)	-	-	(64,846)
Transfers in	-	-	363,300	363,300
Transfers out - cash	-	(20,000)	-	(20,000)
Change in net assets	84,090	6,683	60,297	151,070
Total net assets - beginning	<u>998,719</u>	<u>3,935,060</u>	<u>1,101,561</u>	<u>6,035,340</u>
Total net assets - ending	<u><u>\$ 1,082,809</u></u>	<u><u>\$ 3,941,743</u></u>	<u><u>\$ 1,161,858</u></u>	<u><u>\$ 6,186,410</u></u>

CITY OF WINFIELD, KANSAS
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Refuse</u>	<u>Stormwater Drainage</u>	<u>Quail Ridge Golf course</u>	<u>Total</u>
Cash flows from operating activities				
Payments to suppliers	\$ (815,771)	\$ (79,880)	(313,507)	\$ (1,209,158)
Payments to employees	(374,763)	-	(259,637)	(634,400)
Receipts from customers	1,383,771	149,077	457,170	1,990,018
Other receipts	6,584	285	1,822	8,691
Net cash provided by operating activities	<u>199,821</u>	<u>69,482</u>	<u>(114,152)</u>	<u>155,151</u>
Cash flows from noncapital financing activities				
Transfer to other funds	-	(20,000)	-	(20,000)
Transfer from Other funds	-	-	363,300	363,300
Internal activity-payments in lieu of franchise fees	(64,846)	-	-	(64,846)
Net cash used by noncapital financing activities	<u>(64,846)</u>	<u>(20,000)</u>	<u>363,300</u>	<u>278,454</u>
Cash flows from capital and related financing activities				
Debt payments - interest	(1,513)	(9,142)	(7,034)	(17,689)
Debt payments - principal	(40,995)	(82,496)	(351,685)	(475,176)
Bond proceeds	-	-	-	-
Bond issuance costs	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Acquisition of capital assets	(26,926)	-	(86,678)	(113,604)
Net cash used by capital and related financing activities	<u>(69,434)</u>	<u>(91,638)</u>	<u>(445,397)</u>	<u>(606,469)</u>
Cash flows from investing activities				
Interest income	2,025	494	-	2,519
Net cash provided from investing activities	<u>2,025</u>	<u>494</u>	<u>-</u>	<u>2,519</u>
Net decrease in cash and cash equivalents	67,566	(41,662)	(196,249)	(170,345)
Balances - beginning of the year (includes \$200,000 in restricted assets)	<u>649,133</u>	<u>203,553</u>	<u>210,374</u>	<u>1,063,060</u>
Balances - end of the year	<u>\$ 716,699</u>	<u>\$ 161,891</u>	<u>14,125</u>	<u>\$ 892,715</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 149,116	\$ 35,772	(293,569)	\$ (108,681)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	54,458	70,147	166,076	290,681
Changes in assets and liabilities:				
Receivables, net	(412)	(398)	-	(810)
Inventories/Prepays	-	-	12,025	12,025
Compensated absences	(1,406)	-	(1,595)	(3,001)
Net OPEB obligations	4,281	-	1,345	5,626
Accounts and other payables	(6,216)	(36,039)	1,566	(40,689)
Total adjustments	<u>50,705</u>	<u>33,710</u>	<u>179,417</u>	<u>263,832</u>
Net cash provided (used) by operating activities	<u>\$ 199,821</u>	<u>\$ 69,482</u>	<u>(114,152)</u>	<u>\$ 155,151</u>
Noncash Transactions				
Loss on joint venture	(767)	-	-	(767)
Amortization of premium on bond issuance	-	(577)	-	(577)
Amortization of deferred (loss) gain on debt defeasance	-	-	(4,494)	(4,494)
Amortization of debt issue costs	-	-	(1,424)	(1,424)

CITY OF WINFIELD, KANSAS

BUDGETED ENTERPRISE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2011

	ELECTRIC			
	Budget	Amended Budget	Actual	Variance from Amended Budget
Revenues and other sources				
Charges for services	\$ 21,738,000	\$ 21,738,000	\$ 23,956,334	\$ 2,218,334
Interest income	20,000	20,000	5,729	(14,271)
Other	50,600	50,600	136,131	85,531
Reimbursement of expenditures	50,000	50,000	73,345	23,345
Transfers from other funds	-	-	-	-
Total revenues and other sources	21,858,600	21,858,600	24,171,539	2,312,939
Expenditures and other uses				
Personal services	1,925,308	1,925,308	1,884,487	40,821
Contractual services	733,177	733,177	634,948	98,229
Materials and supplies	1,785,754	1,785,754	1,777,671	8,083
Other	16,200	16,200	8,492	7,708
Purchased power and fuel/resale	15,030,000	16,507,141	16,427,228	79,913
Capital outlay	524,700	549,200	502,707	46,493
Debt service	95,181	95,181	95,181	-
In lieu of franchise taxes	1,495,920	1,495,920	1,608,915	(112,995)
Transfers to other funds	598,300	598,300	766,552	(168,252)
Total expenditures and other uses	22,204,540	23,706,181	23,706,181	-
Revenues and other sources over (under) expenditures and other uses	(345,940)	(1,847,581)	465,358	2,312,939
Unencumbered fund balance, January 1	521,459	521,459	611,958	(90,499)
Unencumbered fund balance, December 31	\$ 175,519	\$ (1,326,122)	\$ 1,077,316	\$ 2,403,438

GAS			WATER			
Budget	Actual	Variance	Budget	Amended Budget	Actual	Variance from Amended Budget
\$ 6,519,000	\$ 5,008,662	\$(1,510,338)	\$ 2,268,500	\$ 2,268,500	\$ 2,333,218	\$ 64,718
8,000	4,659	(3,341)	-	-	-	-
4,250	1,204	(3,046)	15,400	15,400	17,765	2,365
10,000	7,699	(2,301)	15,000	15,000	26,704	11,704
-	-	-	-	-	631,000	631,000
6,541,250	5,022,224	(1,519,026)	2,298,900	2,298,900	3,008,687	709,787
711,215	636,354	74,861	784,488	784,488	808,555	(24,067)
119,274	44,761	74,513	233,313	233,313	193,831	39,482
562,318	540,599	21,719	695,027	695,027	673,983	21,044
3,900	1,218	2,682	27,100	27,100	17,433	9,667
4,145,000	2,775,421	1,369,579	-	-	-	-
113,000	61,816	51,184	142,700	507,104	573,320	(66,216)
-	-	-	657,876	657,876	-	657,876
390,000	287,564	102,436	123,888	123,888	747,032	(623,144)
276,000	770,400	(494,400)	-	-	-	-
6,320,707	5,118,133	1,202,574	2,664,392	3,028,796	3,014,154	14,642
220,543	(95,909)	(316,452)	(365,492)	(729,896)	(5,467)	724,429
183,405	238,503	(55,098)	(409,260)	(409,260)	(159,440)	(249,820)
\$ 403,948	\$ 142,594	\$ (261,354)	\$ (774,752)	\$ (1,139,156)	\$ (164,907)	\$ 974,249

CITY OF WINFIELD, KANSAS

BUDGETED ENTERPRISE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL - BUDGETARY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2011

	WASTEWATER		
	Budget	Actual	Variance
Revenues and other sources			
Charges for services	\$ 1,825,100	\$ 1,913,215	\$ 88,115
Interest income	-	71	71
Other	6,125	5,259	(866)
Reimbursement of expenditures	500	1,211	711
Transfers from other funds	100,000	-	(100,000)
Total revenues and other sources	1,931,725	1,919,756	(11,969)
Expenditures and other uses			
Personal services	573,293	570,666	2,627
Contractual services	316,464	287,572	28,892
Materials and supplies	250,000	247,575	2,425
Other	650	765	(115)
Purchased power and fuel/resale	-	-	-
Capital outlay	151,585	138,392	13,193
Debt service	566,235	563,102	3,133
In lieu of franchise taxes	-	-	-
Transfers to other funds	-	-	-
Total expenditures and other uses	1,858,227	1,808,072	50,155
Revenues and other sources over (under) expenditures and other uses	73,498	111,684	38,186
Unencumbered fund balance, January 1	48,574	(55,305)	(103,879)
Unencumbered fund balance, December 31	\$ 122,072	\$ 56,379	\$ (65,693)

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for services performed by one governmental department to other departments of the City on a cost-reimbursement basis, and for risk financing activities.

Management Services – The Management Services Fund is a cost center for the City engineering, management information systems, utility billing, and general administration departments' expenses. These expenses are charged to other City funds based on several criteria and ratios.

Service Center – The Service Center Fund is a cost center for the City operations building and its equipment and for the service center department activities. The building and equipment maintenance costs are charged to other City funds on square footage. The service center charges other departments based on usage.

Accounts Receivable Financing – Prior to 2008, the account receivable financing fund acted as a central billing area for the City's utility billings. As of the end of 2009, the fund holds only delinquent utility receivable balances, which were billed prior to 2008. As the delinquent balances are collected, this fund balance will decrease, and eventually be closed. The City implemented new utility billing software in 2008, and the utility funds now individually track their receivables.

Risk Management Reserve – The Risk Management Reserve Fund pays for deductibles, excess liability losses, uninsured losses, and insurable losses not otherwise covered by commercial insurance. Funding is provided by annual contributions from other city funds that have an insurable risk, based on actuarial computations provided by an insurance consultant. The City purchases commercial insurance coverage for all substantial areas of risk, including property loss, auto liability, boiler and machinery, general and public officials' liability. Individual funds pay their portions of insurance policy premiums that are recorded as expenditures/expenses in those funds.

Workers' Compensation Reserve – The Workers' Compensation Reserve Fund accounts for all workers' compensation-related claims, judgments, and expenses through Sept 24, 2011. At this time, the City purchased workers' compensation insurance to cover all future claims. The City's workers' compensation program was a partially self-funded program covering substantially all full-time and part-time employees of the City. Funding has been provided by annual contributions from other city functions that have an insurable risk, based on actuarial computations provided by an insurance consultant.

Health Insurance Reserve – The Health Insurance Reserve Fund was created to eventually fund a partially self-insured health insurance program. The fund currently is used to pay a portion of employee health insurance premiums.

Short Term Disability Reserve – The Short Term Disability Reserve Fund provides up to twenty-six weeks of financial assistance to City full-time employees following sixty days of continuous disability.

CITY OF WINFIELD, KANSAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET ASSETS DECEMBER 31, 2011

	Management Services	Operations Center	Accounts Receivable Financing
Assets			
Current assets			
Cash and temporary investments	\$ 58,238	\$ 46,127	\$ -
Utility billing receivables, net	15,797	-	46,165
Accounts receivable, net	4,529	-	-
Prepays	-	-	-
Inventories	23,063	119,491	-
Total current assets	<u>101,627</u>	<u>165,618</u>	<u>46,165</u>
Noncurrent assets			
Capital assets			
Land	-	6,500	-
Buildings and improvements	297,677	1,681,058	-
Improvements other than buildings	-	101,836	-
Machinery, equipment, other	1,337,361	412,056	-
Less accumulated depreciation	(1,176,578)	(1,014,391)	-
Net capital assets	<u>458,460</u>	<u>1,187,059</u>	<u>-</u>
Total assets	<u>\$ 560,087</u>	<u>\$ 1,352,677</u>	<u>\$ 46,165</u>
Liabilities			
Current liabilities			
Accounts and claims payable	\$ 54,771	\$ 43,629	\$ -
Interest payable	165	-	-
Current portion of compensated absences	88,704	9,724	-
Current portion of long term debt	17,306	-	-
Total current liabilities	<u>160,946</u>	<u>53,353</u>	<u>-</u>
Noncurrent liabilities			
Accrued compensated absences	114,703	-	-
Net OPEB obligation	48,109	7,193	-
Advances from other funds	-	70,000	46,165
Total noncurrent liabilities	<u>162,812</u>	<u>77,193</u>	<u>46,165</u>
Total liabilities	<u>323,758</u>	<u>130,546</u>	<u>46,165</u>
Net Assets			
Invested in capital assets	-	1,187,059	-
Invested in capital assets, net of related debt	441,154	-	-
Unrestricted (deficit)	(204,825)	35,072	-
Total net assets	<u>\$ 236,329</u>	<u>\$ 1,222,131</u>	<u>\$ -</u>

Risk Management Reserve	Workers' Compensation Reserve	Health Insurance Reserve	Short-Term Disability Reserve	Total
\$ 1,053,903	\$ 98,224	\$ 27,485	\$ 205,351	\$ 1,489,328
-	-	-	-	61,962
1,700	14,508	-	-	20,737
-	87,019	110,821	-	197,840
-	-	-	-	142,554
<u>1,055,603</u>	<u>199,751</u>	<u>138,306</u>	<u>205,351</u>	<u>1,912,421</u>
-	-	-	-	6,500
-	-	-	-	1,978,735
-	-	-	-	101,836
-	-	-	-	1,749,417
-	-	-	-	(2,190,969)
-	-	-	-	1,645,519
<u>\$ 1,055,603</u>	<u>\$ 199,751</u>	<u>\$ 138,306</u>	<u>\$ 205,351</u>	<u>\$ 3,557,940</u>
-	-	-	-	-
\$ 11,190	\$ 104,428	\$ -	\$ -	\$ 214,018
-	-	-	-	165
-	-	-	-	98,428
-	-	-	-	17,306
<u>11,190</u>	<u>104,428</u>	<u>-</u>	<u>-</u>	<u>329,917</u>
-	-	-	-	114,703
-	-	-	-	55,302
-	-	-	-	116,165
-	-	-	-	286,170
<u>11,190</u>	<u>104,428</u>	<u>-</u>	<u>-</u>	<u>616,087</u>
-	-	-	-	1,187,059
-	-	-	-	441,154
<u>1,044,413</u>	<u>95,323</u>	<u>138,306</u>	<u>205,351</u>	<u>1,313,640</u>
<u><u>\$ 1,044,413</u></u>	<u><u>\$ 95,323</u></u>	<u><u>\$ 138,306</u></u>	<u><u>\$ 205,351</u></u>	<u><u>\$ 2,941,853</u></u>

CITY OF WINFIELD, KANSAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2011

	Management Services	Operations Center	Accounts Receivable Financing
Operating revenues			
Charges for services	\$ 2,393,064	\$ 477,425	\$ -
Other	145,742	1,161	-
Total operating revenues	<u>2,538,806</u>	<u>478,586</u>	<u>-</u>
Operating expenses			
Administration	2,503,390	449,981	-
Claims	-	-	-
Depreciation	98,450	49,954	-
Total operating expenses	<u>2,601,840</u>	<u>499,935</u>	<u>-</u>
Operating income (loss)	<u>(63,034)</u>	<u>(21,349)</u>	<u>-</u>
Non-operating revenues (expenses)			
Interest income	-	-	-
Interest Expense	(1,095)	-	-
Total non-operating revenues (expenses)	<u>(1,095)</u>	<u>-</u>	<u>-</u>
Net income (loss) before operating transfers	<u>(64,129)</u>	<u>(21,349)</u>	<u>-</u>
Transfers in - fixed assets	482	357	-
Net transfers	482	357	-
Change in net assets	<u>(63,647)</u>	<u>(20,992)</u>	<u>-</u>
Total net assets - beginning	<u>299,976</u>	<u>1,243,123</u>	<u>-</u>
Total net assets - ending	<u><u>\$ 236,329</u></u>	<u><u>\$ 1,222,131</u></u>	<u><u>\$ -</u></u>

Risk Management Reserve	Workers' Compensation Reserve	Health Insurance Reserve	Short-Term Disability Reserve	Totals
\$ -	\$ -	\$ -	\$ -	\$ 2,870,489
200,629	101,889	1,481,159	-	1,930,580
200,629	101,889	1,481,159	-	4,801,069
36,402	22,904	1,460,984	-	4,473,661
161,438	147,192	-	-	308,630
-	-	-	-	148,404
197,840	170,096	1,460,984	-	4,930,695
2,789	(68,207)	20,175	-	(129,626)
2,773	560	228	563	4,124
-	-	-	-	(1,095)
2,773	560	228	563	3,029
5,562	(67,647)	20,403	563	(126,597)
-	-	-	-	839
-	-	-	-	839
5,562	(67,647)	20,403	563	(125,758)
1,038,851	162,970	117,903	204,788	3,067,611
\$ 1,044,413	\$ 95,323	\$ 138,306	\$ 205,351	\$ 2,941,853

CITY OF WINFIELD, KANSAS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
December 31, 2011

	Management Services	Operations Center	Accounts Receivable Financing
Cash flows from operating activities			
Payments to suppliers	\$ (1,084,649)	\$ (231,970)	\$ -
Payments to employees	(1,411,380)	(224,720)	-
Payments of claims	-	-	-
Internal activity-receipts from other funds	2,393,064	477,424	-
Receipts from customers	-	-	7,766
Other receipts	142,691	1,162	-
Net cash provided (used) by operating activities	<u>39,726</u>	<u>21,896</u>	<u>7,766</u>
Cash flows from noncapital financing activities			
Transfers (to) from other funds	-	-	-
Advances (to) from other funds	-	-	(7,766)
Net cash used by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(7,766)</u>
Cash flows from capital and related financing activities			
Capital lease principal payments	(16,678)	-	-
Capital lease interest payments	(1,285)	-	-
Acquisition of capital assets	(42,324)	(3,885)	-
Net cash used by noncapital financing activities	<u>(60,287)</u>	<u>(3,885)</u>	<u>-</u>
Cash flows from investing activities			
Interest income	-	-	-
Net increase (decrease) in cash and cash equivalents	(20,561)	18,011	-
Balances - beginning of year	78,799	28,116	-
Balances - end of year	<u>\$ 58,238</u>	<u>\$ 46,127</u>	<u>\$ -</u>

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities

Operating income (loss)	(63,034)	(21,349)	-
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	98,450	49,954	-
Changes in assets and liabilities:			
Receivables, net	(3,051)	-	7,766
Inventories	(3,591)	(22,282)	-
Compensated absences	1,313	(1,879)	-
Net OPEB obligations	15,076	1,912	-
Prepays	-	-	-
Accounts and other payables	(5,437)	15,540	-
Total adjustments	<u>102,760</u>	<u>43,245</u>	<u>7,766</u>
Net cash provided (used) by operating activities	<u>\$ 39,726</u>	<u>\$ 21,896</u>	<u>\$ 7,766</u>

Noncash Transactions

Capital asset transfers out	\$ 482	\$ 357	\$ -
-----------------------------	--------	--------	------

Risk Management Reserve	Workers' Compensation Reserve	Health Insurance Reserve	Short-Term Disability Reserve	Totals
\$ (36,402)	\$ (109,923)	\$ (1,464,482)	\$ -	\$ (2,927,426)
-	-	-	-	(1,636,100)
(152,848)	(120,837)	-	-	(273,685)
-	-	1,481,159	-	4,351,647
-	-	-	-	7,766
200,629	99,193	-	-	443,675
<u>11,379</u>	<u>(131,567)</u>	<u>16,677</u>	<u>-</u>	<u>(34,123)</u>
-	-	-	-	-
-	-	-	-	(7,766)
-	-	-	-	(7,766)
-	-	-	-	(16,678)
-	-	-	-	(1,285)
-	-	-	-	(46,209)
-	-	-	-	(64,172)
-	-	-	-	-
<u>2,773</u>	<u>560</u>	<u>228</u>	<u>563</u>	<u>4,124</u>
14,152	(131,007)	16,905	563	(101,937)
1,039,751	229,231	10,580	204,788	1,591,265
<u>\$ 1,053,903</u>	<u>\$ 98,224</u>	<u>\$ 27,485</u>	<u>\$ 205,351</u>	<u>\$ 1,489,328</u>
<u>2,789</u>	<u>(68,207)</u>	<u>20,175</u>	<u>-</u>	<u>(129,626)</u>
-	-	-	-	148,404
-	(2,696)	-	-	2,019
-	-	-	-	(25,873)
-	-	-	-	(566)
-	-	-	-	16,988
-	(87,019)	(3,498)	-	(90,517)
8,590	26,355	-	-	45,048
<u>8,590</u>	<u>(63,360)</u>	<u>(3,498)</u>	<u>-</u>	<u>95,503</u>
<u>\$ 11,379</u>	<u>\$ (131,567)</u>	<u>\$ 16,677</u>	<u>\$ -</u>	<u>\$ (34,123)</u>
\$ -	\$ -	\$ -	\$ -	\$ 839

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FIDUCIARY AND AGENCY FUNDS

Agency Funds

Payroll Clearing – acts as a clearing account for all City payroll transactions.

Sales Tax – to account for sales tax collected, to be remitted to State of Kansas.

Fire Insurance Proceeds - to account for insurance proceeds being held pending the completion of repairs on a fire damaged home in the City.

CITY OF WINFIELD, KANSAS

AGENCY FUNDS COMBINING BALANCE SHEET FOR THE YEAR ENDED DECEMBER 31, 2011

	Payroll Clearing	Sales Tax	Fire Insurance Proceeds	Total
Assets				
Pooled cash and investments	\$ 17,140	\$ (17,096)	\$ -	\$ 44
Other receivables	-	53,464		53,464
Total assets	17,140	36,368	-	53,508
Liabilities				
Accounts payable	17,140	36,368	-	53,508
Total liabilities	17,140	36,368	-	53,508
Net Assets	\$ -	\$ -	\$ -	\$ -

CITY OF WINFIELD, KANSAS

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance January 1 2011	Additions	Deductions	Balance December 31 2011
Pooled cash and investments				
Payroll clearing	\$ 15,510	\$ 12,173,312	\$ 12,171,682	\$ 17,140
Sales tax	54,627	841,683	913,406	(17,096)
Fire insurance proceeds	-	10,000	10,000	-
Total pooled cash and investments	<u>70,137</u>	<u>13,024,995</u>	<u>13,095,088</u>	<u>44</u>
Other receivables				
Payroll clearing	-	-	-	-
Sales tax	-	841,683	788,219	53,464
Fire insurance proceeds	-	-	-	-
Total other receivables	<u>-</u>	<u>841,683</u>	<u>788,219</u>	<u>53,464</u>
Total Assets	<u><u>\$ 70,137</u></u>	<u><u>\$ 13,866,678</u></u>	<u><u>\$ 13,883,307</u></u>	<u><u>\$ 53,508</u></u>
Accounts payable				
Payroll clearing	\$ 15,510	\$ 12,173,312	\$ 12,171,682	\$ 17,140
Sales tax	40,680	841,683	845,995	36,368
Fire insurance proceeds	-	10,000	10,000	-
Total accounts payable	<u>56,190</u>	<u>13,024,995</u>	<u>13,027,677</u>	<u>53,508</u>
Total Liabilities	<u><u>\$ 56,190</u></u>	<u><u>\$ 13,024,995</u></u>	<u><u>\$ 13,027,677</u></u>	<u><u>\$ 53,508</u></u>

CITY OF WINFIELD, KANSAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY SOURCE DECEMBER 31, 2011

Governmental funds capital assets	2011
Land	\$ 1,900,214
Buildings	8,642,917
Improvements other than buildings	16,665,047
Machinery and equipment	8,156,462
Construction in progress	39,662
Total governmental funds capital assets	\$ 35,404,302
Investment in governmental funds capital assets by source:	
General fund	\$ 19,755,705
Special revenue funds	15,063,240
Construction project funds	38,914
Donations	546,443
Total governmental funds capital assets	\$ 35,404,302

This schedule presents only the capital asset balances related to governmental funds, including infrastructure.

CITY OF WINFIELD, KANSAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY FUNCTION AND ACTIVITY DECEMBER 31, 2011

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
General government:						
Administrative/other	\$ 80,667	\$ 3,606,844	\$ 372,474	\$ 180,811	\$ -	\$ 4,240,796
Total general government	<u>80,667</u>	<u>3,606,844</u>	<u>372,474</u>	<u>180,811</u>	<u>-</u>	<u>4,240,796</u>
Public safety:						
Police	-	205,716	57,010	1,128,013	-	1,390,739
Fire	-	574,610	-	3,210,630	-	3,785,240
Public parking	171,124	-	31,497	27,286	-	229,907
Inspection	-	-	-	53,471	-	53,471
Total public safety	<u>171,124</u>	<u>780,326</u>	<u>88,507</u>	<u>4,419,400</u>	<u>-</u>	<u>5,459,357</u>
Highways and streets:	734,596	15,425	13,073,874	1,181,149	-	15,005,044
Culture and recreation	912,427	4,177,067	3,119,432	2,210,254	-	10,419,180
Cemetery	1,400	63,255	10,760	164,848	-	240,263
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,662</u>	<u>39,662</u>
Total governmental funds capital assets	<u>\$ 1,900,214</u>	<u>\$ 8,642,917</u>	<u>\$ 16,665,047</u>	<u>\$ 8,156,462</u>	<u>\$ 39,662</u>	<u>\$ 35,404,302</u>

This schedule presents only the capital asset balances related to governmental funds, including infrastructure.

CITY OF WINFIELD, KANSAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2011

Function and Activity	Governmental Funds Capital Assets Jan 1, 2011	Additions	Deductions	Transfers	Governmental Funds Capital Assets Dec 31, 2011
General government:					
Attorney	3,279	-	-	-	3,279
Other	4,059,372	211,322	(46,340)	13,911	4,238,265
Total general government	4,062,651	211,322	(46,340)	13,911	4,241,544
Public safety:					
Police	1,421,265	81,710	(75,591)	(36,645)	1,390,739
Fire	3,714,010	62,144	(4,757)	13,843	3,785,240
Public Parking	229,907	-	-	-	229,907
Inspection	53,296	1,084	(909)	-	53,471
Total public safety	5,418,478	144,938	(81,257)	(22,802)	5,459,357
Public works/streets	14,923,094	93,334	(10,984)	(400)	15,005,044
Culture and recreation	10,450,942	59,931	(100,019)	8,326	10,419,180
Cemetery	226,341	23,202	(9,675)	395	240,263
Under construction	38,914	-	-	-	38,914
Total governmental funds capital assets	<u>\$ 35,120,420</u>	<u>532,727</u>	<u>(248,275)</u>	<u>(570)</u>	<u>35,404,302</u>

This schedule presents only the capital asset balances related to governmental funds, including infrastructure.

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT COMBINING STATEMENT OF NET ASSETS - BUSINESS TYPE ACTIVITY JUNE 30, 2011

WINFIELD HOUSING AUTHORITY

Assets

Current assets

Cash and temporary investments	\$ 335,523
Accounts receivable, net	950
HUD Grants receivable	107,446
Interest receivable	73
Prepays and materials inventory	21,047
Total current assets	<u>465,039</u>

Capital Assets:

Capital assets not be depreciated	52,776
Depreciable capital assets	3,154,352
Less accumulated depreciation	(1,718,753)
Net capital assets	<u>1,488,375</u>

Other assets

Utility deposits	12,317
Total other assets	<u>12,317</u>

Total assets	<u>1,965,731</u>
---------------------	------------------

Liabilities

Current liabilities

Accounts payable	29,523
Accrued compensated absences	6,085

Total liabilities	<u>35,608</u>
--------------------------	---------------

Net Assets

Invested in capital assets	1,488,375
Restricted for capital projects	107,446
Unrestricted	<u>334,302</u>

Total net assets	<u><u>\$ 1,930,123</u></u>
-------------------------	----------------------------

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - BUSINESS-TYPE COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED JUNE 30, 2011

WINFIELD HOUSING AUTHORITY

Operating revenues

Rental income	\$ 202,689
Other	966
Total operating revenues	<u>203,655</u>

Operating expenses

Services and supplies	200,130
Depreciation	<u>87,419</u>

Total operating expenses	<u>287,549</u>
--------------------------	----------------

Operating loss	<u>(83,894)</u>
----------------	-----------------

Non-operating revenues

Interest income	3,165
HUD Capital Improvement Grants	72,883
Other	<u>300</u>

Total non-operating revenues	<u>76,348</u>
------------------------------	---------------

Change in net assets	(7,546)
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Total net assets - beginning	<u>1,937,669</u>
------------------------------	------------------

Total net assets - ending	<u><u>\$ 1,930,123</u></u>
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CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNITS COMBINING STATEMENT OF NET ASSETS - BUSINESS TYPE ACTIVITY DECEMBER 31, 2011

WINFIELD AREA EMERGENCY MEDICAL SERVICES (WAEMS)

Assets

Current assets

Accounts receivable, net	\$108,090
Total current assets	<u>108,090</u>

Capital Assets:

Machinery, equipment	505,685
Less accumulated depreciation	<u>(443,276)</u>
Net capital assets	<u>62,409</u>

Total assets	<u>170,499</u>
---------------------	----------------

Liabilities

Current liabilities

Deficit cash	15,386
Accounts payable	23,706
Accrued compensated absences	<u>24,343</u>

Total liabilities	<u>63,435</u>
--------------------------	---------------

Net Assets

Invested in capital assets	62,409
Unrestricted	<u>44,655</u>

Total net assets	<u><u>\$ 107,064</u></u>
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CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - BUSINESS-TYPE COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2011

WINFIELD AREA EMERGENCY MEDICAL SERVICES (WAEMS)

Operating revenues

Charges for services	\$ 680,313
Other governmental contributions	273,782
Total operating revenues	<u>954,095</u>

Operating expenses

Services and supplies	912,192
Depreciation	<u>25,203</u>

Total operating expenses	<u>937,395</u>
--------------------------	----------------

Net operating income	<u>16,700</u>
----------------------	---------------

Non-operating revenues

Interest income	<u>67</u>
Total non-operating revenues	<u>67</u>

Change in net assets	16,767
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Total net assets - beginning	<u>90,297</u>
------------------------------	---------------

Total net assets - ending	<u>\$ 107,064</u>
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CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - GOVERNMENTAL TYPE COMBINING BALANCE SHEET DECEMBER 31, 2011

WINFIELD PUBLIC LIBRARY

Assets

Cash and temporary investments	\$ 366,450
--------------------------------	------------

Total assets	<u>366,450</u>
---------------------	----------------

Liabilities

Accounts payable	5,286
------------------	-------

Fund balance	<u>361,164</u>
---------------------	----------------

Total liabilities and fund balance	<u>\$ 366,450</u>
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CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - GOVERNMENTAL TYPE COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 2011

WINFIELD PUBLIC LIBRARY

Revenues

Property taxes	\$ 499,085
Intergovernmental revenue	5,478
Fines and penalties	7,469
Interest income	3,615
Charges for services and sales	6,749
Other	57,252
Total revenues	<u>579,648</u>

Expenditures

Culture and recreation:	
Personal services	307,469
Contractual services and materials	157,047
Capital outlay	14,336
Other	11,105
Debt service	18,625
Total expenditures	<u>508,582</u>

Excess (deficiency) of revenues over (under) expenditures 71,066

Fund balance, beginning of year	284,359
Prior year adjustment	5,739
Fund balance, beginning of year, adjusted	<u>290,098</u>
Fund balance, end of year	<u>\$ 361,164</u>

The background of the slide is an abstract composition of numerous thin, radiating lines. These lines originate from a central point in the lower-left quadrant and fan out towards the top and right edges of the frame. The lines vary in color, ranging from light blue to a vibrant, almost white cyan, creating a sense of dynamic movement and energy. The overall effect is reminiscent of a starburst or a high-speed data visualization.

STATISTICAL Section

STATISTICAL SECTION

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the city's overall financial health.

Financial trends information helps the readers understand how the City's financial performance and well-being have changed over time.

Revenue capacity information is intended to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt capacity schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and economic indicators are offered to help the reader understand the environment within which the city's financial activities take place and to help make comparisons across time.

Operating information about the City and its resources is provided to help the reader understand how the city's financial information relates to the services provided and the activities the City performs.

City of Winfield, Kansas

Net Assets by Component, Last Nine Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$ 15,253,792	\$ 13,224,149	\$ 12,278,113	\$ 11,238,825
Restricted	281,192	1,836,860	2,488,485	2,757,530
Unrestricted	299,686	1,105,886	1,861,083	4,191,024
Total governmental activities net assets	<u>\$ 15,834,670</u>	<u>\$ 16,166,895</u>	<u>\$ 16,627,681</u>	<u>\$ 18,187,379</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 33,869,612	\$ 34,932,896	\$ 36,087,472	\$ 37,790,830
Restricted	1,239,303	306,551	202,003	202,297
Unrestricted	8,984,381	9,864,534	8,518,189	7,513,229
Total business-type activities net assets	<u>\$ 44,093,296</u>	<u>\$ 45,103,981</u>	<u>\$ 44,807,664</u>	<u>\$ 45,506,356</u>
Primary government				
Invested in capital assets, net of related debt	\$ 49,123,404	\$ 48,157,045	\$ 48,365,585	\$ 49,029,655
Restricted	1,520,495	2,143,411	2,690,488	2,959,827
Unrestricted	9,284,067	10,970,420	10,379,272	11,704,253
Total primary government net assets	<u>\$ 59,927,966</u>	<u>\$ 61,270,876</u>	<u>\$ 61,435,345</u>	<u>\$ 63,693,735</u>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 1

Fiscal Year				
2007	2008	2009	2010	2011
\$ 13,588,751	\$ 16,604,943	\$ 18,467,441	15,221,844	16,091,925
1,984,745	1,697,377	744,041	1,100,540	1,001,143
3,851,314	1,613,399	1,747,071	4,814,451	4,296,353
<u>\$ 19,424,810</u>	<u>\$ 19,915,719</u>	<u>\$ 20,958,553</u>	<u>21,136,835</u>	<u>21,389,421</u>
\$ 37,500,763	\$ 38,069,991	\$ 39,034,768	39,238,338	38,560,011
201,918	200,316	200,000	200,000	-
8,171,934	6,429,463	8,171,269	9,145,650	11,038,264
<u>\$ 45,874,615</u>	<u>\$ 44,699,770</u>	<u>\$ 47,406,037</u>	<u>48,583,988</u>	<u>49,598,275</u>
\$ 51,089,514	\$ 54,674,934	\$ 57,502,209	54,460,182	54,651,936
2,186,663	1,897,693	944,041	1,300,540	1,001,143
12,023,248	8,042,862	9,918,340	13,960,101	15,334,617
<u>\$ 65,299,425</u>	<u>\$ 64,615,489</u>	<u>\$ 68,364,590</u>	<u>69,720,823</u>	<u>70,987,696</u>

City of Winfield, Kansas

Changes in Net Assets, Last Nine Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
<i>Governmental Activities:</i>				
General government	\$ 1,040,783	\$ 1,113,430	\$ 715,264	\$ 1,010,093
Public safety	3,356,623	3,385,535	3,477,184	3,985,164
Public works/stormwater	1,373,515	1,554,939	1,712,656	2,147,916
Cemetery	139,508	143,665	156,388	150,677
Culture and recreation	1,662,247	1,657,742	1,874,254	1,596,973
Health and welfare	780,187	880,651	1,182,021	994,863
Economic development	167,920	163,517	200,051	130,861
Interest on debt	447,137	455,805	369,833	455,814
Total governmental activities expenses	8,967,920	9,355,284	9,687,651	10,472,361
<i>Business-type activities:</i>				
Electric	14,842,343	16,213,551	19,552,084	22,379,172
Gas	4,823,344	4,796,433	6,662,904	5,210,015
Water	1,663,201	1,614,989	1,905,225	1,833,590
Refuse	1,071,583	1,104,161	1,184,215	1,202,388
Wastewater	1,705,536	1,716,201	1,785,474	1,574,041
Golf course	672,691	656,842	636,572	857,222
Total business-type activities expenses	24,778,698	26,102,177	31,726,474	33,056,428
Total primary government expenses	\$ 33,746,618	\$ 35,457,461	\$ 41,414,125	\$ 43,528,789
Program Revenues				
<i>Governmental activities:</i>				
General government	\$ 429,391	\$ 464,967	\$ 360,003	\$ 344,835
Public safety	220,323	188,427	172,080	261,988
Public works/stormwater	85,118	127,639	158,272	152,111
Cemetery	44,475	37,050	50,338	41,090
Culture and recreation	376,533	316,582	385,571	450,224
Health and welfare	613,792	659,910	694,747	746,312
Operating grants and contributions	662,919	452,869	619,517	503,837
Capital grants and contributions	420,619	422,683	274,757	1,802,724
Total governmental activities program revenues	2,853,170	2,670,127	2,715,285	4,303,121
<i>Business-type activities:</i>				
Charges for services:				
Electric	18,139,113	17,977,388	19,824,019	22,984,484
Gas	5,340,838	5,154,458	6,695,359	6,157,572
Water	1,452,037	1,813,087	2,159,641	2,293,376
Refuse	1,012,291	1,011,891	1,129,186	1,257,396
Wastewater	1,526,984	1,552,929	1,536,054	1,522,009
Golf course	407,404	397,666	370,561	567,258
Capital grants and contributions	631,306	525,105	644,724	731,839
Total business-type activities program revenues	28,509,973	28,432,524	32,359,544	35,513,934
Total primary government program revenues	\$ 31,363,143	\$ 31,102,651	\$ 35,074,829	\$ 39,817,055

Table 2

Fiscal Year				
2007	2008	2009	2010	2011
\$ 1,037,652	\$ 1,007,890	\$ 1,136,384	\$ 1,378,157	\$ 1,284,081
3,961,982	4,799,553	4,363,022	4,486,349	4,493,341
1,475,426	1,750,265	1,511,058	1,391,930	1,392,216
158,684	163,789	142,764	164,665	145,656
1,802,510	2,157,393	1,405,506	1,910,251	2,044,763
1,080,507	313,261	353,557	333,945	341,963
148,996	175,827	165,271	148,777	185,683
558,877	525,663	483,691	500,300	452,192
<u>10,224,634</u>	<u>10,893,641</u>	<u>9,561,253</u>	<u>10,314,374</u>	<u>10,339,895</u>
21,790,211	25,974,432	20,755,104	21,107,926	22,331,177
5,602,811	6,249,824	4,565,950	4,433,654	4,160,674
2,383,522	2,461,897	2,443,606	2,318,531	2,354,597
1,250,860	1,305,321	1,231,637	1,200,127	1,247,376
1,965,895	1,900,444	1,730,487	1,865,241	1,849,088
848,813	939,736	881,196	813,684	762,407
<u>33,842,112</u>	<u>38,831,654</u>	<u>31,607,980</u>	<u>31,739,163</u>	<u>32,705,319</u>
<u>\$ 44,066,746</u>	<u>\$ 49,725,295</u>	<u>\$ 41,169,233</u>	<u>\$ 42,053,537</u>	<u>\$ 43,045,214</u>
\$ 339,026	\$ 403,991	\$ 401,180	\$ 662,013	\$ 351,445
196,713	213,522	244,913	223,217	217,361
152,488	157,989	168,703	149,339	149,761
31,275	43,285	51,560	53,860	70,245
442,341	479,106	520,190	544,552	532,471
816,546	188,322	189,415	189,856	187,630
517,649	469,169	484,355	641,420	553,306
29,610	2,247,932	594,320	13,286	55,651
<u>2,525,648</u>	<u>4,203,316</u>	<u>2,654,636</u>	<u>2,477,543</u>	<u>2,117,870</u>
23,993,402	24,141,325	24,760,069	22,771,769	24,623,166
5,804,699	6,586,008	5,501,142	5,455,036	4,955,953
2,163,925	2,053,763	2,040,831	2,134,745	2,375,968
1,408,661	1,468,186	1,379,395	1,401,131	1,394,287
1,497,631	1,645,841	1,672,416	1,809,506	1,942,758
506,487	510,225	508,703	468,167	459,404
572,037	456,579	199,131	798,404	113,230
<u>35,946,842</u>	<u>36,861,927</u>	<u>36,061,687</u>	<u>34,838,758</u>	<u>35,864,766</u>
<u>\$ 38,472,490</u>	<u>\$ 41,065,243</u>	<u>\$ 38,716,323</u>	<u>\$ 37,316,301</u>	<u>\$ 37,982,636</u>

City of Winfield, Kansas

Changes in Net Assets, Last Nine Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Net (Expenses)/Revenue				
Governmental activities	\$ (6,114,750)	\$ (6,685,157)	\$ (6,972,366)	\$ (6,169,240)
Business-type activities	3,731,275	2,330,347	633,070	2,457,506
Total primary government net expense	\$ (2,383,475)	\$ (4,354,810)	\$ (6,339,296)	\$ (3,711,734)
General Revenues and Other Changes in Net Assets				
<i>Governmental activities:</i>				
Taxes				
Property taxes	\$ 2,997,374	\$ 3,126,752	\$ 3,105,420	\$ 3,313,225
Sales taxes	1,379,400	1,542,114	1,514,594	1,602,854
Franchise taxes	132,719	188,149	221,656	221,379
Other taxes	141,005	127,551	131,823	136,585
Payments in lieu of taxes	1,560,510	1,566,880	1,815,685	2,033,593
Investment earnings	127,150	85,195	115,247	211,789
Miscellaneous	338,863	130,604	(18,886)	146,328
Special items	-	-	-	-
Transfers	(321,036)	(76,950)	(410,948)	(65,699)
Total governmental activities	6,355,985	6,690,295	6,474,591	7,600,054
<i>Business-type activities</i>				
Investment earnings	210,595	170,268	245,094	280,672
Miscellaneous	(700,740)	-	61,868	32,857
In lieu of franchise fees	(1,560,510)	(1,566,880)	(1,815,685)	(2,033,593)
Transfers	321,036	76,950	410,948	65,699
Total business-type activities	(1,729,619)	(1,319,662)	(1,097,775)	(1,654,365)
Total primary government	\$ 4,626,366	\$ 5,370,633	\$ 5,376,816	\$ 5,945,689
Change in Net Assets				
Governmental activities	\$ 5,138	\$ (497,775)	\$ 1,430,814	\$ 1,430,814
Business-type activities	1,010,685	(464,705)	803,141	803,141
Total primary government	<u>\$ 1,015,823</u>	<u>\$ (962,480)</u>	<u>\$ 2,233,955</u>	<u>\$ 2,233,955</u>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 2

Fiscal Year				
2007	2008	2009	2010	2011
\$ (7,698,986)	\$ (6,690,325)	\$ (6,906,617)	\$ (7,836,831)	\$ (8,222,025)
2,104,730	(1,969,727)	4,453,707	3,099,595	3,159,447
<u>\$ (5,594,256)</u>	<u>\$ (8,660,052)</u>	<u>\$ (2,452,910)</u>	<u>\$ (4,737,236)</u>	<u>\$ (5,062,578)</u>
\$ 3,563,739	\$ 3,613,367	\$ 3,946,608	\$ 3,995,278	\$ 4,133,774
1,653,458	1,796,192	1,642,867	1,650,437	1,802,734
224,057	232,233	208,506	217,851	197,907
136,946	119,667	117,440	127,883	164,781
2,132,120	2,209,504	2,097,169	1,987,491	2,090,193
239,348	159,269	67,920	21,433	9,874
207,280	68,148	107,661	44,392	-
-	1,976,607	-	-	-
(25,781)	(693,327)	(238,720)	(29,652)	75,348
<u>8,131,167</u>	<u>9,481,660</u>	<u>7,949,451</u>	<u>8,015,113</u>	<u>8,474,611</u>
369,868	230,619	111,009	36,195	20,381
-	-	-	-	-
(2,132,120)	(2,209,504)	(2,097,169)	(1,987,491)	(2,090,193)
25,781	693,327	238,720	29,652	(75,348)
<u>(1,736,471)</u>	<u>(1,285,558)</u>	<u>(1,747,440)</u>	<u>(1,921,644)</u>	<u>(2,145,160)</u>
<u>\$ 6,394,696</u>	<u>\$ 8,196,102</u>	<u>\$ 6,202,011</u>	<u>\$ 6,093,469</u>	<u>\$ 6,329,451</u>
\$ 432,181	\$ 2,791,335	\$ 1,042,834	\$ 178,282	\$ 252,586
368,259	(3,255,285)	2,706,267	1,177,951	1,014,287
<u>\$ 800,440</u>	<u>\$ (463,950)</u>	<u>\$ 3,749,101</u>	<u>\$ 1,356,233</u>	<u>\$ 1,266,873</u>

City of Winfield, Kansas

Program Revenues by Function/Program, Last Nine Fiscal Years

(accrual basis of accounting)

Function/Program	Program Revenues				
	2003	2004	2005	2006	2007
Governmental activities:					
General government	\$ 576,835	\$ 477,324	\$ 360,515	\$ 344,835	\$ 391,329
Public safety	402,290	353,989	485,735	330,675	204,980
Public works/stormwater	737,071	580,508	738,379	2,320,215	625,167
Cemetery	44,475	37,050	50,338	49,360	31,275
Culture and recreation	478,707	561,346	385,571	511,724	456,351
Health and welfare	613,792	659,910	694,747	746,312	816,546
Subtotal					
governmental activities	2,853,170	2,670,127	2,715,285	4,303,121	2,525,648
Business-type activities:					
Electric	18,738,510	18,465,605	20,388,320	23,639,660	24,414,753
Gas	5,361,197	5,165,526	6,721,047	6,190,388	5,825,189
Water	1,462,241	1,838,907	2,189,376	2,337,223	2,194,318
Refuse	1,012,291	1,011,891	1,154,186	1,257,396	1,408,661
Wastewater	1,528,330	1,552,929	1,536,054	1,522,009	1,597,434
Golf course	407,404	397,666	370,561	567,258	506,487
Subtotal					
business-type activities	28,509,973	28,432,524	32,359,544	35,513,934	35,946,842
Total primary government	\$ 31,363,143	\$ 31,102,651	\$ 35,074,829	\$ 39,817,055	\$ 38,472,490

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 3

Program Revenues			
2008	2009	2010	2011
\$ 403,991	\$ 401,205	\$ 710,092	\$ 468,445
341,770	299,786	242,802	256,669
2,684,476	653,058	735,930	571,278
43,285	52,160	54,310	70,845
541,472	1,059,012	544,552	563,003
188,322	189,415	189,856	187,630
4,203,316	2,654,636	2,477,542	2,117,870
24,483,928	24,942,711	23,530,926	24,693,816
6,608,856	5,506,348	5,461,785	4,963,475
2,092,727	2,052,114	2,167,244	2,398,876
1,468,186	1,379,395	1,401,131	1,394,287
1,698,005	1,672,416	1,809,506	1,954,908
510,225	508,703	468,167	459,404
36,861,927	36,061,687	34,838,759	35,864,766
\$ 41,065,243	\$ 38,716,323	\$ 37,316,301	\$ 37,982,636

City of Winfield, Kansas

Fund Balances, Governmental Funds, Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2002	2003	2004	2005
General fund				
Reserved	\$ 158,592	\$ 33,340	\$ 37,848	\$ 20,265
Unreserved	667,910	604,905	389,343	261,816
Total general fund	<u>\$ 826,502</u>	<u>\$ 638,245</u>	<u>\$ 427,191</u>	<u>\$ 282,081</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	1,172,354	693,518	642,062	603,974
Unreserved, reported in:				
Capital project funds	205,718	703,983	469,499	459,651
Special revenue funds	2,247,553	2,043,023	2,242,289	1,761,955
Permanent funds	6,000	6,000	6,000	6,000
Debt service funds	301,751	238,485	97,734	-
Total all other governmental funds	<u>\$ 3,933,376</u>	<u>\$ 3,685,009</u>	<u>\$ 3,457,584</u>	<u>\$ 2,831,580</u>

Table 4

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 20,265	\$ 20,845	\$ 41,336	\$ 24,847	\$ 28,911	\$ 20,265
328,229	502,481	331,883	336,688	226,205	418,171
<u>\$ 348,494</u>	<u>\$ 523,326</u>	<u>\$ 373,219</u>	<u>\$ 361,535</u>	<u>\$ 255,116</u>	<u>\$ 438,436</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000
-	-	-	-	-	995,143
-	-	-	-	-	422,139
-	-	-	-	-	(33,924)
-	-	-	-	-	-
1,077,822	1,113,485	812,756	517,816	322,885	-
732,733	(201,894)	41,825	(716,253)	(42,980)	-
1,720,792	1,463,104	1,449,307	1,548,805	1,365,334	-
6,000	6,000	6,000	6,000	6,000	-
-	133	455	190,846	131,214	-
<u>\$ 3,537,347</u>	<u>\$ 2,380,828</u>	<u>\$ 2,310,343</u>	<u>\$ 1,547,214</u>	<u>\$ 1,782,453</u>	<u>\$ 1,389,358</u>

City of Winfield, Kansas
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2002	2003	2004	2005
Revenues				
Property taxes	\$ 3,012,211	\$ 2,997,374	\$ 3,126,752	\$ 3,105,420
Sales taxes	1,392,752	1,379,400	1,542,114	1,514,594
Intergovernmental revenue	1,313,125	1,358,166	1,125,975	1,063,211
Charges for services	955,399	1,125,606	1,139,145	1,193,830
Franchise taxes	150,832	141,005	188,149	221,656
Special assessments	169,549	147,444	165,447	108,304
Fines and penalties	166,004	158,459	159,399	152,098
Licenses, fees, and permits	8,345	28,279	26,451	23,816
Investment earnings	167,801	127,332	89,192	109,012
Other revenues	206,902	220,135	146,413	254,032
Total revenues	<u>7,542,920</u>	<u>7,683,200</u>	<u>7,709,037</u>	<u>7,745,973</u>
Expenditures				
General government	882,102	964,763	1,059,035	712,127
Employee benefits [1]	812,755	-	-	-
Public safety	2,647,989	3,154,017	3,319,716	3,603,633
Public works/streets	772,363	1,150,330	2,091,819	971,878
Cemetery	92,489	119,332	131,695	142,741
Culture and recreation	1,285,622	1,336,361	1,530,375	1,670,885
Health and welfare	835,153	724,297	840,016	1,132,670
Economic development	146,171	167,920	498,892	206,180
Debt service:				
Debt principal payments	930,400	1,033,354	1,189,256	2,434,725
Debt interest payments	500,019	399,214	482,977	452,675
Temporary note principal pymts	-	-	-	-
Temporary note interest pymts	-	-	-	-
Discount on temporary note	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay	1,696,947	3,819,259	220,272	701,290
Total expenditures	<u>10,602,010</u>	<u>12,868,847</u>	<u>11,364,053</u>	<u>12,028,804</u>
Excess of revenues over (under) expenditures	<u><u>(3,059,090)</u></u>	<u><u>(5,185,647)</u></u>	<u><u>(3,655,016)</u></u>	<u><u>(4,282,831)</u></u>
Other Financing Sources (Uses)				
Transfers in	1,783,193	1,753,715	1,965,650	2,022,142
Transfers out	(1,573,192)	(1,809,390)	(1,908,495)	(1,843,397)
Transfers in - Pymts in lieu of franchise fees	1,302,919	1,560,510	1,566,880	1,815,684
Issuance of temporary notes	-	-	1,195,000	755,000
Issuance of bonds	3,770,000	3,191,950	-	3,015,000
Issuance of KDOT debt	-	-	-	-
Issuance of capital lease	-	92,417	271,080	-
Payments to escrow agent	(3,085,000)	(481,950)	-	(2,130,000)
Advance payments of specials	-	-	-	-
Insurance recoveries	-	-	-	-
Capital lease proceeds	-	-	-	-
KDOT loan proceeds	-	-	-	-
Debt issuance costs	-	-	-	-
G.O. refunding bond proceeds	-	-	-	-
G.O. refunding bond premium	-	-	-	-
Sales of property	-	87,853	118,221	47,095
Total other financing sources (uses)	<u>2,197,920</u>	<u>4,395,105</u>	<u>3,208,336</u>	<u>3,681,524</u>
Net change in fund balances	<u><u>\$ (861,170)</u></u>	<u><u>\$ (790,542)</u></u>	<u><u>\$ (446,680)</u></u>	<u><u>\$ (601,307)</u></u>
Debt service as a percentage of noncapital expenditures	16.6%	15.8%	17.2%	25.2%

[1] The City utilized an 'employee benefits' fund in years 1997 through 2002. Employee benefits are allocated to each function in years 2003 and forward .

Table 5

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 3,313,225	\$ 3,563,739	\$ 3,613,367	\$ 3,946,608	\$ 3,995,277	\$ 4,133,774
1,602,854	1,653,458	1,796,192	1,642,867	1,650,437	1,802,734
1,114,731	1,059,395	1,228,607	1,130,876	1,209,844	1,107,981
1,304,633	1,327,286	661,048	625,933	747,203	770,710
221,379	224,057	232,233	208,506	217,851	197,907
116,141	175,857	168,392	163,672	206,224	207,926
181,605	177,248	176,362	160,454	132,875	134,467
26,695	23,943	56,228	57,929	49,586	70,546
161,710	177,237	122,941	54,327	16,513	7,318
85,864	158,596	201,090	351,214	65,241	134,958
8,128,837	8,540,816	8,256,460	8,342,386	8,291,051	8,568,321
969,761	1,008,833	993,000	1,033,537	1,052,806	1,344,999
-	-	-	-	-	-
4,778,405	3,915,641	4,556,668	4,310,118	4,362,464	4,311,581
2,061,131	2,493,546	2,685,567	1,427,589	1,008,716	651,094
136,395	148,326	152,279	140,513	163,761	160,580
1,493,300	1,589,068	1,729,654	2,171,340	1,778,099	1,793,269
923,021	1,037,528	313,261	353,557	333,945	341,963
136,956	155,244	175,827	165,271	148,777	185,683
2,224,784	1,570,117	1,466,001	1,242,033	1,328,559	1,794,554
348,301	452,344	363,499	466,280	482,537	597,363
-	-	5,280,000	-	-	-
-	-	168,106	-	-	-
-	-	8,040	-	-	-
-	-	41,686	-	-	-
1,856,253	236,480	305,879	555,840	362,291	443,657
14,928,307	12,607,127	18,239,467	11,866,078	11,021,955	11,624,743
(6,799,470)	(4,066,311)	(9,983,007)	(3,523,692)	(2,730,904)	(3,056,422)
2,092,366	2,222,154	2,138,437	1,958,394	2,086,218	2,729,475
(2,036,628)	(2,180,162)	(2,049,767)	(1,983,495)	(2,101,654)	(1,973,021)
2,033,593	2,132,120	2,209,504	2,097,169	1,987,491	2,090,193
2,326,594	-	2,945,000	-	-	-
1,115,000	-	4,525,000	-	-	-
800,000	659,701	-	-	-	-
1,231,360	-	-	-	-	-
-	-	-	-	(1,144,247)	-
-	-	162,174	-	-	-
-	-	-	429,781	-	-
-	-	-	227,844	-	-
-	-	-	-	630,970	-
-	-	-	-	(18,798)	-
-	-	-	-	1,398,246	-
-	-	-	-	18,898	-
9,364	250,810	-	19,186	2,600	-
7,571,649	3,084,623	9,930,348	2,748,879	2,859,724	2,846,647
\$ 772,179	\$ (981,688)	\$ (52,659)	\$ (774,813)	\$ 128,820	\$ (209,775)
22.3%	18.9%	12.0%	17.9%	17.5%	21.6%

City of Winfield, Kansas

Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years (in thousands of dollars)

Table 6

Fiscal Year	Real Property	Personal Property	[a] Utilities	Motor Vehicles	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2002	44,901	13,923	1,742	10,165	70,731	47.175	508,997	13.90%
2003	46,522	13,669	1,694	10,178	72,063	47.281	445,311	16.18%
2004	46,697	9,622	1,657	10,286	68,262	47.107	527,998	12.93%
2005	49,812	10,858	1,620	10,255	72,545	47.010	454,766	15.95%
2006	50,824	10,172	1,856	10,150	73,002	51.184	468,263	15.59%
2007	53,474	11,277	1,795	10,468	77,014	50.471	485,868	15.85%
2008	55,940	7,697	1,652	10,421	75,710	52.640	485,765	15.59%
2009	56,560	7,446	1,663	10,083	75,752	54.552	478,410	15.83%
2010	56,166	6,855	1,733	9,731	74,485	56.746	475,007	15.68%
2011	55,746	6,462	1,872	9,741	73,821	56.466	422,422	17.48%

Source: Cowley County Clerk, Treasurer, and Appraiser Offices

Notes: Property in Cowley County is reassessed annually. Commercial property is assessed at 25% of actual value, and residential at 11.5%.

[a] includes oil and gas. Beginning in 2007, certain types of personal property were removed from the tax rolls.

City of Winfield, Kansas

Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years

(rate per \$1,000 pf assessed dollars)

Year	Basic Rate	General Obligation Debt Svce	Total Direct Rate	Overlapping Rates			
				[a] USD 465	[b] State of Kansas	[b] Community College	[b] Cowley County
2002	36.502	10.673	47.175	53.487	1.500	17.627	32.073
2003	36.620	10.661	47.281	56.358	1.500	17.561	32.491
2004	36.487	10.620	47.107	55.957	1.500	17.423	34.797
2005	35.685	11.325	47.010	56.239	1.500	18.425	36.754
2006	40.778	10.406	51.184	58.327	1.500	18.595	39.035
2007	40.487	9.984	50.471	56.222	1.500	19.932	40.876
2008	40.893	11.747	52.640	60.679	1.500	19.976	42.270
2009	45.363	9.189	54.552	59.346	1.500	20.226	42.064
2010	47.096	9.650	56.746	62.251	1.500	20.219	43.036
2011	46.816	9.650	56.466	63.096	1.500	20.013	43.420

Source: Cowley County Clerk's office

Notes: The city's property tax rates are set annually by the City commission. Rates for debt service are set based on each year's requirements. Overlapping rates are those of local and county governments that apply to property owners within the City of Winfield.

City of Winfield, Kansas
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 8

Taxpayer	2011			2002		
	Assessed Valuation [1]	Rank	Percentage of Total City Taxable Assessed Value [a]		Rank	Percentage of Total City Taxable Assessed Value [a]
Newell Rubbermaid	\$ 3,966,805	1	6.19%	\$ 9,983,716	1	16.48%
Walmart	2,471,560	2	3.86%	376,391	6	0.62%
Winfield Economic Development, Inc	1,134,895	3	1.77%	1,195,143	2	1.97%
Union Pacific Railroad	737,354	4	1.15%			
General Electric Company [2]	691,686	5	1.08%			
Dillons	646,975	6	1.01%	547,225	5	0.90%
Galaxy Tool	542,322	7	0.85%	810,449	4	1.34%
Southwestern Bell	468,466	8	0.73%	1,002,429	3	1.66%
Calmar	450,940	9	0.70%			
BNSF	369,185	10	0.58%			

[a] excludes motor vehicle valuation

[1] includes valuation within City of Winfield only

[2] Binney & Smith ceased operations in City in 1998. The facility was sold to Winfield Economic Development, and leased to General Electric.

Source: Cowley County Appraiser's Office

City of Winfield, Kansas

Property Tax Levies and Collections, Last Ten Fiscal Years

Table 9

Year	Taxes Levied For Fiscal Year	Collected within the Fiscal Year of Levy		Delinquent Taxes Collected By years [a]	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	2,543,972	\$ 2,486,412	97.74%	10,573	2,496,985	98.15%
2003	2,857,163	\$ 2,567,732	89.87%	15,479	2,583,211	90.41%
2004	2,925,990	\$ 2,672,634	91.34%	23,717	2,696,351	92.15%
2005	2,730,930	\$ 2,661,557	97.46%	45,666	2,707,223	99.13%
2006	2,928,070	\$ 2,774,735	94.76%	50,203	2,824,938	96.48%
2007	3,224,850	\$ 3,066,776	95.10%	54,037	3,120,813	96.77%
2008	3,361,313	\$ 3,093,973	92.05%	60,621	3,154,594	93.85%
2009	3,439,637	\$ 3,390,612	98.57%	65,116	3,455,728	100.47%
2010	3,571,586	\$ 3,462,827	96.95%	28,492	3,491,319	97.75%
2011	3,532,436	\$ 3,531,166	99.96%	-	3,531,166	99.96%

Source: Cowley County Clerk and County Treasurer's office

[a] Delinquent taxes not collected in the fiscal levy year. Amounts reflect cumulative collections of delinquent tax for each levy year.

City of Winfield, Kansas

Ratios of Outstanding Debt by Type, Last Ten Fiscal Years

(dollars in thousands)

Table 10

Governmental Activities							
Year	General Obligation Bonds	Sales Tax Revenue Bonds	Temporary Notes	KDOT Loan	Contractual Debt	Certificates of Parti- cipation	Capital Leases
2002	8,285	790	-	-	-	-	615
2003	10,185	690	-	-	297	482	101
2004	9,205	590	1,195	-	266	412	334
2005	9,235	485	755	-	234	333	283
2006	9,365	375	2,335	800	201	253	1,219
2007	8,300	260	2,335	1,389	169	171	911
2008	11,730	145	-	1,232	136	87	827
2009	10,870	25	-	1,702	104	-	992
2010	11,552	-	-	71	72	-	831
2011	10,373	-	-	36	39	-	663

Year	Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Utility Revenue Bonds	KDHE Loans	Certificates of Parti- cipation	Capital Leases			
2002	-	1,185	8,696	-	4,849	24,420	3.0%	2,009
2003	-	605	8,673	3,123	1,089	25,245	2.9%	2,101
2004	-	-	13,047	2,808	762	28,619	3.3%	2,382
2005	-	-	13,397	2,437	10	27,169	3.1%	2,286
2006	-	-	12,898	2,057	-	29,503	2.9%	2,513
2007	-	-	12,242	1,669	-	27,446	2.5%	2,379
2008	-	-	11,563	1,273	-	26,993	2.6%	2,348
2009	-	-	10,911	860	106	25,570	2.3%	2,294
2010	6,618	-	3,937	445	58	23,584	2.1%	1,917
2011	6,197	-	3,499	-	9	20,816	1.8%	1,692

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See Table 15 for personal income and per capita data

City of Winfield, Kansas

Ratio of General Bonded Debt Outstanding, Last Ten Fiscal Years

(dollars in thousands, except per capita)

Table 11

Year	General Bonded Debt Outstanding [c]			Total	Percentage of Actual Taxable Value of Property [a]	Per Capita [b]
	General Obligation Bonds	Temporary Notes	KDOT GO Debt			
2002	8,285	-	-	8,285	1.63%	681
2003	10,185	-	-	10,185	2.29%	848
2004	9,205	1,195	-	10,400	1.97%	866
2005	9,235	755	-	9,990	2.20%	840
2006	9,365	2,335	-	11,700	2.50%	997
2007	8,300	2,335	7	10,642	2.19%	922
2008	11,730	-	1,232	12,962	2.67%	1,127
2009	10,870	-	1,072	11,942	2.50%	1,071
2010	18,170	-	71	18,241	3.84%	1,483
2011 [d]	16,570	-	36	16,606	3.50%	1,350

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[a] See T-6 for property value data

[b] Population data can be found in Table 15

[c] In accordance with KSA 10-1116 and KSA 79-5028, KDOT loans constitute 'bonds' characterization. KDOT debt for street improvements are being repaid as general obligation debt.

[d] Includes \$6,196 thousand of GO debt, that is being repaid from water revenues.

City of Winfield, Kansas

Direct and Overlapping Governmental Activities Debt

As of December 31, 2011

(dollars in thousands)

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Estimated Percentage Applicable to City of Winfield	Amount Applicable to City of Winfield
Direct:			
[a] City of Winfield	\$ 10,373	100.00%	\$ 10,373
Overlapping:			
USD #465	\$ 20,330	74.61%	\$ 15,168
Cowley County	6,340	29.61%	1,877
Total Overlapping Debt	26,670		17,045
Total direct and overlapping debt	\$ 37,043		\$ 27,418

[a] includes portion of GO bonds to be paid through property taxes

Sources: Assessed valuation provided by Cowley County Clerk.

Debt outstanding data is provided by each governmental unit.

Percentage of debt applicable to the City of Winfield is based on the proportion that the assessed valuation of the City of Winfield bears to the assessed valuation of the overlapping entity.

City of Winfield, Kansas

Legal Debt Margin Information, Last Ten Fiscal Years (dollars in thousands)

Table 13

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit [1]	\$ 21,219	\$ 21,619	\$ 20,479	\$ 21,764	\$ 21,901	\$ 23,104	\$ 22,713	\$ 22,726	\$ 22,346	\$ 22,146
Total debt subject to full faith, credit of city	16,596	18,528	23,447	23,387	25,398	24,267	24,525	22,853	22,178	20,105
Less self- supporting debt [2]	<u>(8,696)</u>	<u>(8,673)</u>	<u>(13,047)</u>	<u>(13,397)</u>	<u>(12,898)</u>	<u>(12,242)</u>	<u>(11,563)</u>	<u>(10,911)</u>	<u>(10,555)</u>	<u>(9,696)</u>
Total net debt applicable to limit	<u>7,900</u>	<u>9,855</u>	<u>10,400</u>	<u>9,990</u>	<u>12,500</u>	<u>12,025</u>	<u>12,962</u>	<u>11,942</u>	<u>11,623</u>	<u>10,409</u>
Legal debt margin	<u>\$ 13,319</u>	<u>\$ 11,764</u>	<u>\$ 10,079</u>	<u>\$ 11,774</u>	<u>\$ 9,401</u>	<u>\$ 11,079</u>	<u>\$ 9,751</u>	<u>\$ 10,784</u>	<u>\$ 10,723</u>	<u>\$ 11,737</u>
 Total net debt applicable to the limit as a percentage of debt limit	 37.23%	 45.59%	 50.78%	 45.90%	 57.08%	 52.05%	 57.07%	 52.55%	 52.01%	 47.00%

[1] Under K.S.A. 10-308, the city's outstanding bonded indebtedness cannot exceed 30 percent of assessed valuation of the city.

[2] Principal amount of City's general obligation and state revolving fund debt which is anticipated to be paid from net revenues from the operation of the City's water and sewer systems.

City of Winfield, Kansas

Pledged-Revenue Coverage, Last Ten Fiscal Years

(dollars in thousands)

Table 14

Electric Revenue Bonds and Certificates of Participation Debt						
Year	Utility Service Charges	Less: Operating Expenses [1]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	17,071	14,097	2,974	566	138	4.22
2003	18,139	14,410	3,729	951	147	3.40
2004	17,981	15,883	2,098	982	107	1.93
2005	19,824	19,393	431	812	51	0.50
2006	22,984	22,692	292	80	15	3.07
2007	23,993	22,256	1,737	82	13	18.28
2008	24,141	26,231	(2,090)	84	12	(21.77)
2009	24,760	21,093	3,667	87	8	38.60
2010	21,669	20,964	705	90	5	7.42
2011	24,650	23,879	771	93	1	8.20

Water Revenue Bonds and KDHE Debt						
Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2002	1,359	1,423	(64)	65	2	(0.96)
2003	1,452	1,433	19	77	95	0.11
2004	1,821	1,418	403	80	93	2.33
2005	2,160	1,708	452	84	88	2.63
2006	2,293	1,187	1,106	303	306	1.82
2007	2,164	1,764	400	301	305	0.66
2008	2,054	1,810	244	317	289	0.40
2009	2,041	1,819	222	329	276	0.37
2010	2,135	1,741	394	342	263	0.65
2011	2,376	2,326	50	421	149	0.09

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] Operating expenses do not include interest/amortization expense, but do include payments in lieu of franchise fees

City of Winfield, Kansas

Pledged-Revenue Coverage, Last Ten Fiscal Years

(dollars in thousands)

Table 14 (cont.)

Wastewater KDHE Debt						
Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2001	\$ 1,424	\$ 753	\$ 671	\$ 289	\$ 240	1.27
2002	1,463	837	626	299	212	1.23
2003	1,527	901	626	309	202	1.23
2004	1,554	917	637	319	195	1.24
2005	1,536	987	549	329	181	1.08
2006	1,522	767	755	340	170	1.48
2007	1,498	1,091	407	351	162	0.79
2008	1,646	1,110	536	363	151	1.04
2009	1,672	936	736	413	153	1.30
2010	1,810	1,095	715	434	132	1.26
2011	1,943	1,729	214	438	125	0.38

Quail Ridge Golf Course Certificates of Participation Debt						
Year	Golf Course Fees	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2001	\$ 434	\$ 338	\$ 96	\$ 222	\$ 154	0.26
2002	414	353	61	230	145	0.16
2003	420	340	80	241	135	0.21
2004	407	348	59	256	149	0.15
2005	398	408	(10)	256	68	(0.03)
2006	371	407	(36)	301	61	(0.10)
2007	506	655	(149)	307	50	(0.42)
2008	510	731	(221)	312	41	(0.63)
2009	509	681	(172)	326	31	(0.48)
2010	468	615	(147)	325	20	(0.43)
2011	459	753	(294)	352	7	(0.82)

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Winfield, Kansas

Pledged-Revenue Coverage, Last Ten Fiscal Years

(dollars in thousands)

Table 14 (continued)

Special Assessment Bonds				
Year	Special Assessment Collections	Debt Service [1]		Coverage
		Principal	Interest	
2001	\$ 242	\$ 107	\$ 61	1.44
2002	170	111	55	1.02
2003	147	129	34	0.90
2004	165	128	34	1.02
2005	108	129	30	0.68
2006	116	133	25	0.73
2007	176	112	121	0.76
2008	168	155	68	0.75
2009	164	69	123	0.85
2010	206	186	152	0.61
2011	208	192	145	0.62

KDOT Stormwater Revenue Debt						
Year	Stormwater Revenue Collections	Less: Operating Expenses [1]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2007	\$ 152	\$ 47	\$ 105	\$ 70	\$ 28	1.07
2008	158	92	66	70	28	0.67
2009	149	35	114	73	25	1.16
2010	149	61	88	75	23	0.90
2011	150	114	36	82	9	0.40

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] Debt service includes total project costs, including city-at-large portion

City of Winfield, Kansas

Demographic and Economic Statistics, Last Ten Fiscal Years

Table 15

Year	Population [1]	Personal Income [1] <i>(thousands of dollars)</i>	Per Capita Personal Income [1]	School Enrollment [2]	Unemployment Rate [3]
2001	12,206	\$ 765,356	\$ 25,022	2,814	3.9%
2002	12,158	808,719	24,576	2,790	7.0%
2003	12,016	866,419	25,431	2,514	6.3%
2004	12,016	864,007	26,292	2,470	6.5%
2005	11,886	873,042	26,942	2,411	5.8%
2006	11,741	1,016,576	29,304	2,403	4.7%
2007	11,539	1,081,637	30,471	2,384	3.4%
2008	11,497	1,051,005	31,713	2,434	5.4%
2009	11,148	1,126,122	30,391	2,475	6.8%
2010	12,301	1,126,122	30,359	2,536	7.1%
2011	12,301	1,126,122	30,359	2,461	6.2%

[1] Provided by Kansas University Institute for Policy and Social Research and U.S. Bureau of Economic Analysis. 2011 information not available as of publication date for per capita personal income, or 2010/2011 personal income figures

[2] Provided by U.S.D. #465. Includes public school system only. Non-weighted FTE.

[3] Kansas Department of Human Resources, Cowley First, end of year

City of Winfield, Kansas

Principal Employers, Current Year and Nine Years Ago

Table 16

Employer	2011			2002		
	Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
General Electric Co	850	1	5.00%	920	1	5.41%
U.S. D. #465	770	2	4.53%	568	3	3.34%
Creekstone Farms Premium Beef	720	3	4.24%	500	4	2.94%
Newell-Rubbermaid	700	4	4.12%	796	2	4.68%
U.S. D. #470	463	5	2.72%	400	5	2.35%
William Newton Memorial Hospital	325	6	1.91%	233	8	1.37%
Calmar, Inc (MeadWestVaco)	275	7	1.62%	206	9	1.21%
South Central Medical Center	216	8	1.27%	150	14	0.88%
Kan-Pak	208	9	1.22%	N/A		N/A
Western Industries	207	10	1.22%	159	12	0.94%
Southwestern College	195	11	1.15%	188	11	1.11%
Cowley College	185	12	1.09%	130	45	N/A
City of Winfield	175	13	1.03%	162	10	0.95%
Cowley County	158	14	0.93%	257	7	1.51%
Winfield Correctional Facility	150	15	0.88%	300	6	1.76%
City of Arkansas City	150	16	0.88%	158	13	0.93%
Galaxy Technology	147	17	0.86%	N/A		N/A
Winfield Consumer Products	103	18	0.61%	115	16	0.68%

Source: Kansas Department of Commerce and respective employer representatives

The City of Winfield is located approximately twelve miles from the city of Arkansas City, Kansas (population approx. 12,000). Both cities are located in Cowley County, and many employers have work forces consisting of residents of both cities. Major employers listed above are for the Arkansas City/Winfield populations

City of Winfield, Kansas

Full-time Equivalent Employees by Function, Last Ten Fiscal Years

Table 17

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General government										
Management services	18	19	15	15	14	14	14	13	13	13
Legal/court	1	1	1	1	2	2	2	2	2	2
Utility billing	6	7	6	6	7	7	7	7	7	7
Engineering	9	8	9	8	8	8	8	8	8	7
Service and operations center	6	6	10	10	10	10	9	9	9	8
Public safety										
Fire	20	20	20	20	20	20	20	20	20	19
Police	29	26	27	29	29	30	28	31	32	31
Public works/stormwater	8	8	7	8	7	7	6	6	6	6
Cemetery	2	2	2	2	2	2	2	2	2	2
Culture and recreation	9	10	10	9	9	9	9	9	9	9
Electric	33	31	31	31	31	29	29	28	29	29
Gas	13	13	13	13	12	12	11	11	10	9
Water	11	11	12	12	12	12	12	13	12	12
Refuse	11	11	10	11	11	11	10	10	10	10
Wastewater	9	8	8	8	9	8	8	8	8	8
Golf course	4	4	4	3	4	4	4	4	4	4
Total	<u>189</u>	<u>185</u>	<u>185</u>	<u>186</u>	<u>187</u>	<u>185</u>	<u>179</u>	<u>181</u>	<u>181</u>	<u>176</u>

Source: City records

City of Winfield, Kansas

Operating Indicators by Function/Program, Last Ten Fiscal Years

Table 18

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Building permits issued	185	182	204	192	212	185	254	309	381	328
Municipal court cases	1,510	1,349	1,437	1,381	1,409	1,456	1,418	1,141	908	1,066
Police										
Class I Offenses	710	797	750	908	856	1,016	799	630	610	762
Domestic Violence/DUI/Drug Arrest	244	227	254	292	245	330	301	327	385	276
Accidents	466	451	405	423	354	494	395	408	362	311
Fire										
Total responses	1,624	1,377	1,283	1,441	1,491	1,582	1,530	1,481	1,682	1,723
Parks and recreation										
Aquatic center attendance	20,085	28,276	19,605	21,163	22,344	18,885	18,466	19,931	20,618	20,565
Annual lake permits	N/A	N/A	2,142	2,200	2,285	1,929	1,851	2,315	3,088	2,159
Cemetery										
Cemetery spaces sold	81	60	39	73	82	41	61	85	62	77
Streets maintenance										
Resurfacing, annual in tons	9,379	6,196	1,648	4,460	4,617	4,940	1,343	1,965	4,556	
Electric utility										
MWH sold, annual	277,717	287,160	276,534	276,206	295,879	322,231	306,588	259,957	281,210	277,467
Peak daily consumption, MWH	62,913	63,391	58,596	61,900	66,700	68,700	66,000	59,420	61,132	65,385
Gas Utility										
MCF sold, annual	693,486	704,883	637,359	604,736	546,357	574,357	636,285	576,264	582,502	574,253
Water Utility										
Gallons sold, annual, in thousands	736,246	782,415	752,735	701,406	785,958	691,838	647,747	661,432	688,586	762,729
Refuse (annual tons, in thousands)										
Refuse collected	8,187	8,976	9,150	8,926	8,700	8,375	8,142	7,883	8,170	8,032
Recyclables collected	950	1,103	1,106	1,069	1,166	1,185	1,241	1,176	1,174	1,147
Wastewater Utility										
Sewage treatment, avg daily flow (in thousands of gallons)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500

Sources: City departments

N/A not available from city records

City of Winfield, Kansas

Capital Asset Statistics by Function, Last Ten Fiscal Years

Table 19

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (marked)	17	17	17	17	17	17	17	17	17	17
Fire stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	130	130	130	130	130	130	130	130	130	130
Parks and recreation										
Public park acreage	294	294	294	294	294	294	294	294	294	294
Base/softball diamonds	4	4	5	5	5	5	5	5	5	5
Soccer fields	3	3	6	6	6	6	6	6	6	6
Football fields	1	1	1	1	1	1	1	1	1	1
Electric Utility										
Electric lines (miles) [1]	N/A	N/A	N/A	N/A	N/A	114	114	114	114	114
Gas Utility										
Gas main lines (miles) [1]	N/A	N/A	N/A	N/A	N/A	95	95	95	95	95
Water Utility										
Water main lines (miles) [1]	N/A	N/A	N/A	N/A	N/A	95	95	95	95	95
Fire hydrants [1]	N/A	N/A	N/A	N/A	N/A	535	535	535	535	535
Storage capacity (thousands)	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
Refuse										
Collection trucks	5	5	5	5	5	5	5	5	5	5
Wastewater										
Sanitary sewer (miles)	N/A	N/A	N/A	N/A	N/A	71	71	71	71	71
Treatment capacity (thousands, per day)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

[1] Information on miles of utility infrastructure from prior years not available in reliable consistent form, and not included on this trends page.

N/A not available from city records

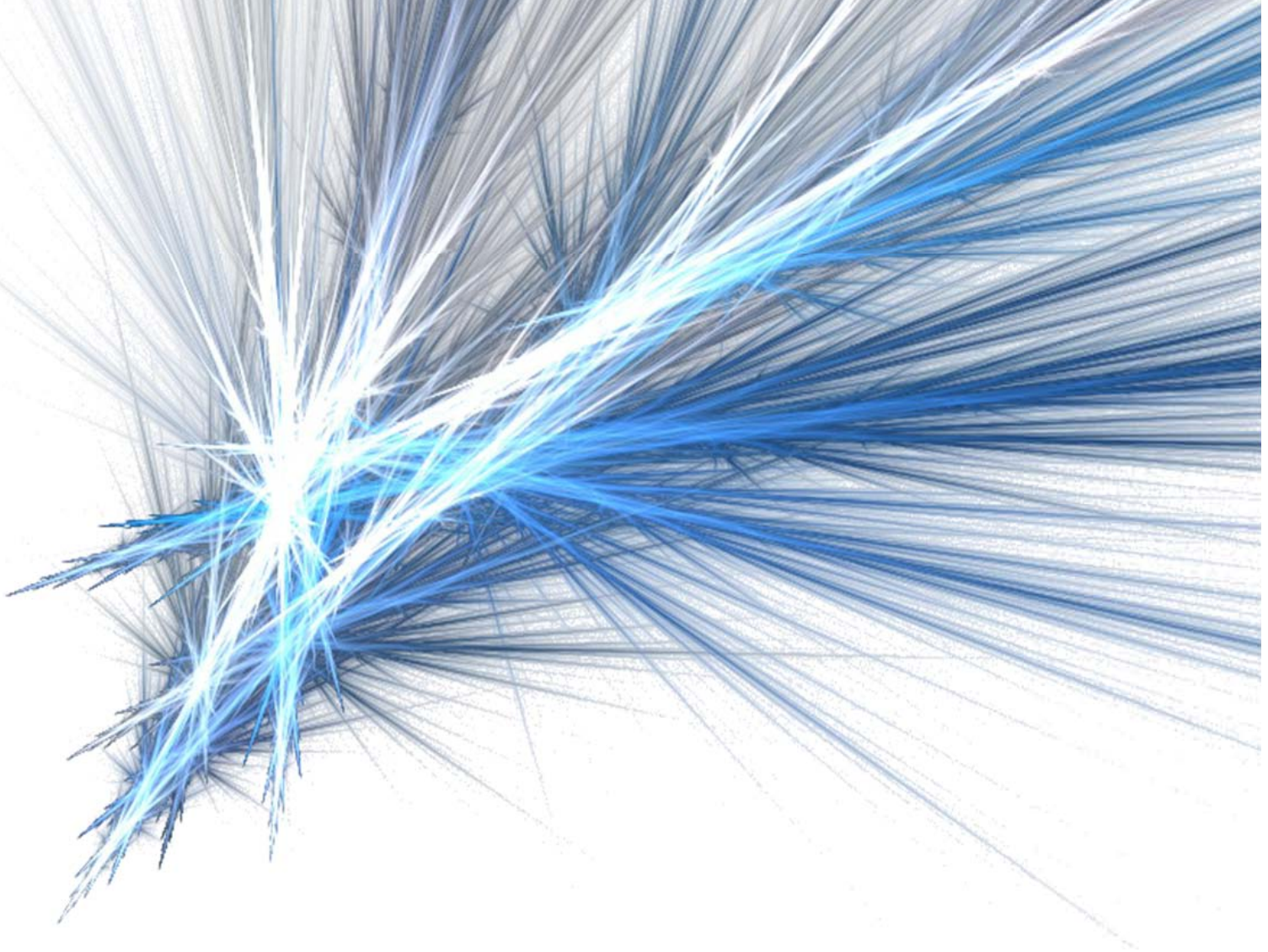
CITY OF WINFIELD, KANSAS
SCHEDULE OF INSURANCE COVERAGES
December 31, 2011

Insurance Company	Policy Period		Type	Coverage	Premium	Coverage		Deductible
	From	To				Amount	Aggregate	
					\$	\$	\$	\$
Kansas Eastern Region Insurance Trust	9/24/2011	12/31/2011	Workers'	All City Employees	\$ 81,532			
			Compensation	Employers' liability limit	Each	1,000,000		
				Bodily Injury by Accident	Policy Limit	1,000,000		
Employers Mututal	4/1/2011	4/1/2012	Property-Replacement	Bodily Injury by Disease	Each Empl.	1,000,000		
			Cost	Bodily Injury by Disease		70,938,846		2,500
				Building/contents, 90% coins.	148,792	566,675		2,500
				Lights, 90% coins.	1,711	612,060		2,500
				Island Park Playground	9,934	200,000		2,500
				Golf course (bus. income), 50% coins.	762			
				Golf course Peak Season 80% Replacement Cost	226			
Employers Mutual	4/1/2011	4/1/2012	Property-E 12th & W. 14th Power Plants	Extra exp. per location	3,019	250,000		
				E. 12th Power Plant	55,661	36,798,877		5,000
				W. 14th Power Plant		10,571,655		
Employers Mututal	4/1/2011	4/1/2012	Auto liability - all City rolling stock	Contents		50,000 ea loc.		
				Liability and U.M.	40,571	500,000		
				Specified perils	3,180			100
				Comprehensive	16,444			250
				Collision	21,036			500
				Hired/borrowed vehicles	421			100/500
				Endorsements	1,049			Varies
Federal Ins. Co - Chubb	9/22/2011	9/22/2012	Boiler and machinery	Blanket	76,712	47,470,532		Varies
Employers Mututal	4/1/2011	4/1/2012	General liability	Each occurrence limit	55,391	500,000	1,000,000	500
				Products completed		500,000	1,000,000	
Employers Mutual	4/1/2011	4/1/2012	Employee benefits	Benefits	incl w/liab	500,000	500,000	1,000
United States Liability Ins. Co.	9/22/2011	9/22/2012	Public officials liability	Each wrongful act- Winfield Housing Auth.	1,320	1,000,000	1,000,000	5,000
Employers Mutual	4/1/2011	4/1/2012	Public officials liability	Linebacker - Directors & Officers	12,523	1,000,000	1,000,000	3,000
Employers Mutual	4/1/2011	4/1/2012	Public officials liability	Linebacker - Law Enforcement	14,032	1,000,000	2,000,000	2,500
Hartford Fire Insurance Co.	5/5/2011	5/5/2012	Animal Mortality	Police Dog	842	\$10,600.00		
Employers Mutual	11/1/2011	11/1/2012	Public officials bond	Canine - Kessy City treasurer	300	100,000		
Employers Mutual	4/1/2011	4/1/2012	Government Crime	Employee Theft	1,107	100,000		500
American Bankers Ins Co. of Florida	4/1/2011	4/1/2012	Flood	Grandstands	5,070	500,000		4,000
Employers Mutual	4/1/2011	4/1/2012	Contractors equip Property	Contractors equipment	13,482	2,394,079		1,000
			Property Floater	Telephone system	564	94,000		500/5,000
			General liability Auto liability	Golf Cars, Mowers	2,899	263,530		1,000
Employers Mutual	4/1/2011	4/1/2012	Linebacker	Rural Fire Dist #7	250	500,000	500,000	-
					89	500,000	500,000	-
					1,695	1,000,000	1,000,000	1,500

Table 16

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Other Supplementary Information



CITY OF WINFIELD, KANSAS

**BUDGETED NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	FLOOD CONTROL				SPECIAL PARKS & RECREATION		
	Original Budget	Amended Budget	Actual	Variance from Amended Budget	Budget	Actual	Variance
Revenues and other sources							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	17,700	21,256	3,556
Interest	250	250	173	(77)	200	177	(23)
Other	-	-	10,960	10,960	19,562	25,924	6,362
Transfers from other funds	-	-	-	-	-	-	-
Total revenues and other sources	<u>250</u>	<u>250</u>	<u>11,133</u>	<u>10,883</u>	<u>37,462</u>	<u>47,357</u>	<u>9,895</u>
					-		
Expenditures and other uses							
Personal services	-	-	-	-	-	-	-
Contractual services	10,250	10,250	3,972	6,278	-	586	(586)
Materials and supplies	5,000	5,000	1,266	3,734	-	-	-
Other	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	30,000	9,976	20,024
Transfers to other funds	-	3,708	10,958	(7,250)	-	9,042	(9,042)
Contingency	-	-	-	-	50,000	-	50,000
Neighborhood Revitalization	-	-	-	-	-	-	-
Total expenditures and other uses	<u>15,250</u>	<u>18,958</u>	<u>16,196</u>	<u>2,762</u>	<u>80,000</u>	<u>19,604</u>	<u>60,396</u>
Revenues and other sources over (under) expenditures and other uses	<u>(15,000)</u>	<u>(18,708)</u>	<u>(5,063)</u>	<u>13,645</u>	<u>(42,538)</u>	<u>27,753</u>	<u>70,291</u>
Unencumbered fund balance, January 1	<u>49,392</u>	<u>49,392</u>	<u>64,614</u>	<u>(15,222)</u>	<u>44,822</u>	<u>51,468</u>	<u>6,646</u>
Unencumbered fund balance, December 31	<u>\$ 34,392</u>	<u>\$ 30,684</u>	<u>\$ 59,551</u>	<u>\$ 28,867</u>	<u>\$ 2,284</u>	<u>\$ 79,221</u>	<u>\$ 76,937</u>

SPECIAL ALCOHOL PROGRAM

Budget	Actual	Variance
\$ -	\$ -	\$ -
17,700	21,256	3,556
20	8	(12)
5,000	2,500	(2,500)
-	-	-
22,720	23,764	1,044
25,021	25,728	(707)
162	-	162
545	-	545
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
25,728	25,728	-
(3,008)	(1,964)	1,044
3,020	4,389	1,369
\$ 12	\$ 2,425	\$ 2,413

LAW ENFORCEMENT TRUST

Budget	Actual	Variance
\$ -	\$ -	\$ -
-	-	-
50	8	(42)
5,000	4,460	(540)
-	-	-
5,050	4,468	(582)
-	-	-
-	528	(528)
-	-	-
-	-	-
-	-	-
-	-	-
10,000	-	10,000
-	-	-
10,000	528	9,472
(4,950)	3,940	8,890
5,050	823	(4,227)
\$ 100	\$ 4,763	\$ 4,663

(Continued)

CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>WATER PRESERVATION</u>			<u>SENIOR CITIZENS FACILITY</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues and other sources						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	4,500	4,000	(500)
Interest	100	149	49	40	32	(8)
Other	-	1,449	1,449	3,000	2,540	(460)
Transfers from other funds	62,500	58,654	(3,846)	500	500	-
Total revenues and other sources	<u>62,600</u>	<u>60,252</u>	<u>(2,348)</u>	<u>8,040</u>	<u>7,072</u>	<u>(968)</u>
Expenditures and other uses						
Personal services	-	-	-	-	-	-
Contractual services	31,963	30,342	1,621	8,340	8,340	-
Materials and supplies	100	1,716	(1,616)	800	800	-
Other	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Transfers to other funds	30,537	30,537	-	-	-	-
Contingency	-	-	-	-	-	-
Neighborhood Revitalization	-	-	-	-	-	-
Total expenditures and other uses	<u>62,600</u>	<u>62,595</u>	<u>5</u>	<u>9,140</u>	<u>9,140</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	-	(2,343)	(2,343)	(1,100)	(2,068)	(968)
Unencumbered fund balance, January 1	<u>-</u>	<u>47,593</u>	<u>47,593</u>	<u>12,077</u>	<u>11,124</u>	<u>(953)</u>
Unencumbered fund balance, December 31	<u>\$ -</u>	<u>\$ 45,250</u>	<u>\$ 45,250</u>	<u>\$ 10,977</u>	<u>\$ 9,056</u>	<u>\$ (1,921)</u>

SPECIAL LIABILITY			SPECIAL STREETS & HIGHWAY			
Budget	Actual	Variance	Budget	Actual	Variance	
\$ 134,797	\$ 137,443	\$ 2,646	\$ -	\$ -	\$ -	
-	-	-	426,080	421,517	(4,563)	
1,600	984	(616)	800	538	(262)	
-	4,445	4,445	6,575	1,893	(4,682)	
-	-	-	285,000	285,000	-	
136,397	142,872	6,475	718,455	708,948	(9,507)	
-	-	-				
-	-	-	366,267	335,163	31,104	
86,480	85,726	754	38,349	34,941	3,408	
-	-	-	236,763	208,467	28,296	
30,000	-	30,000	500	1,037	(537)	
-	-	-	39,170	39,171	(1)	
120,000	105,002	14,998	26,800	56,398	(29,598)	
-	-	-	75,000	75,000	-	
200,000	-	200,000	-	-	-	
1,264	1,266	(2)	-	-	-	
437,744	191,994	245,750	782,849	750,177	32,672	
(301,347)	(49,122)	252,225	(64,394)	(41,229)	23,165	
317,481	338,645	21,164	112,078	175,052	62,974	
\$ 16,134	\$ 289,523	\$ 273,389	\$ 47,684	\$ 133,823	\$ 86,139	

(Continued)

CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2011

	INDUSTRIAL DEVELOPMENT				TOURISM AND CONVENTION		
	Original Budget	Amended Budget	Actual	Variance from Amended Budget	Budget	Actual	Variance
Revenues and other sources	-					-	
Taxes	\$ 14,824	\$ 14,824	\$ 15,372	\$ 548	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	81,000	81,501	501
Interest	100	100	72	(28)	525	299	(226)
Other	-	-	-	-	2,225	12,917	10,692
Transfers from other funds	21,000	21,000	26,652	5,652	-	-	-
Total revenues and other sources	<u>35,924</u>	<u>35,924</u>	<u>42,096</u>	<u>6,172</u>	<u>83,750</u>	<u>94,717</u>	<u>10,967</u>
Expenditures and other uses							
Personal services	-	-	-	-	483	500	(17)
Contractual services	12,250	31,700	31,376	324	57,769	54,705	3,064
Materials and supplies	1,000	1,000	75	925	7,234	3,391	3,843
Other	40,500	40,500	40,536	(36)	29,000	32,254	(3,254)
Debt Service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	15,000	12,714	2,286
Transfers to other funds	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-
Neighborhood Revitalization	128	128	131	(3)	-	-	-
Total expenditures and other uses	<u>53,878</u>	<u>73,328</u>	<u>72,118</u>	<u>1,210</u>	<u>109,486</u>	<u>103,564</u>	<u>5,922</u>
						-	
Revenues and other sources over (under) expenditures and other uses	(17,954)	(37,404)	(30,022)	7,382	(25,736)	(8,847)	16,889
Unencumbered fund balance, January 1	<u>18,670</u>	<u>18,670</u>	<u>30,022</u>	<u>11,352</u>	<u>110,266</u>	<u>117,030</u>	<u>6,764</u>
Unencumbered fund balance, December 31	<u>\$ 716</u>	<u>\$ (18,734)</u>	<u>\$ -</u>	<u>\$ 18,734</u>	<u>\$ 84,530</u>	<u>\$ 108,183</u>	<u>\$ 23,653</u>

FAIRGROUNDS IMPROVEMENTS

Budget	Actual	Variance
\$ -	\$ -	\$ -
-	-	-
400	204	(196)
14,000	29,443	15,443
-	-	-
14,400	29,647	15,247
-	-	-
-	-	-
-	-	-
-	-	-
-	19,164	(19,164)
-	-	-
80,000	-	80,000
-	-	-
80,000	19,164	60,836
(65,600)	10,483	76,083
74,500	68,258	(6,242)
\$ 8,900	\$ 78,741	\$ 69,841

DRUG TASK FORCE

Original Budget	Amended Budget	Actual	Variance from Amended Budget
\$ -		\$ -	\$ -
15,000	15,000	15,000	-
100	10	37	27
5,000	5,000	6,871	1,871
-	-	-	-
20,100	20,010	21,908	1,898
-	-	-	-
5,500	6,300	3,503	2,797
9,100	16,100	12,272	3,828
6,000	7,000	8,823	(1,823)
-	-	-	-
1,000	1,000	2,100	(1,100)
-	-	-	-
-	-	-	-
-	-	-	-
21,600	30,400	26,698	3,702
(1,500)	(10,390)	(4,790)	5,600
18,709	18,709	13,423	5,286
\$ 17,209	\$ 8,319	\$ 8,633	\$ 314

CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>CEMETERY IMPROVEMENTS</u>			<u>PUBLIC LIBRARY</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues and other sources						
Taxes	\$ -	\$ -	\$ -	\$ 503,594	\$ 513,910	\$ 10,316
Intergovernmental revenues	-	-	-	-	-	-
Interest	375	230	(145)	-	-	-
Other	8,050	10,602	2,552	-	-	-
Transfers from other funds	-	17	17	-	-	-
Total revenues and other sources	<u>8,425</u>	<u>10,849</u>	<u>2,424</u>	<u>503,594</u>	<u>513,910</u>	<u>10,316</u>
Expenditures and other uses						
Personal services	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-
Materials and supplies	3,500	595	2,905	-	-	-
Other	-	8	(8)	498,870	499,085	(215)
Debt Service	-	-	-	-	-	-
Capital outlay	10,000	5,757	4,243	-	-	-
Transfers to other funds	-	-	-	-	-	-
Contingency	100,000	-	100,000	-	-	-
Neighborhood Revitalization	-	-	-	4,724	4,731	(7)
Total expenditures and other uses	<u>113,500</u>	<u>6,360</u>	<u>107,140</u>	<u>503,594</u>	<u>503,816</u>	<u>(222)</u>
Revenues and other sources over (under) expenditures and other uses	(105,075)	4,489	109,564	-	10,094	10,094
Unencumbered fund balance, January 1	<u>153,213</u>	<u>82,261</u>	<u>(70,952)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered fund balance, December 31	<u>\$ 48,138</u>	<u>\$ 86,750</u>	<u>\$ 38,612</u>	<u>\$ -</u>	<u>\$ 10,094</u>	<u>\$ 10,094</u>

SPECIAL IMPROVEMENTS

Budget	Actual	Variance
\$ -	\$ -	\$ -
-	-	-
-	114	114
-	-	-
-	-	-

-	114	114
---	-----	-----

-	-	-
10,000	-	10,000
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

10,000	-	10,000
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(10,000)	114	10,114
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32,120	41,487	9,367
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<u>\$ 22,120</u>	<u>\$ 41,601</u>	<u>\$ 19,481</u>
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BADEN HALL RESTORATION

Budget	Actual	Variance
\$ -	\$ -	\$ -
-	-	-
2,000	247	(1,753)
5,000	-	(5,000)
-	-	-

7,000	247	(6,753)
-------	-----	---------

-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
258,290	248,000	10,290
-	-	-
-	-	-
-	-	-

258,290	248,000	10,290
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(251,290)	(247,753)	3,537
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251,290	247,753	(3,537)
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<u>\$ -</u>	<u>\$ 0</u>	<u>\$ 0</u>
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CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2011

ALCOHOL AND DRUG SAFETY

	Budget	Actual	Variance
Revenues and other sources			
Taxes	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-
Interest	-	9	9
Other	-	-	-
Transfers from other funds	400	210	(190)
Total revenues and other sources	400	219	(181)
Expenditures and other uses			
Personal services	-	-	-
Contractual services	-	-	-
Materials and supplies	400	-	400
Other	-	-	-
Debt Service	-	-	-
Capital outlay	-	-	-
Transfers to other funds	-	-	-
Contingency	-	-	-
Neighborhood Revitalization	-	-	-
Total expenditures and other uses	400	-	400
Revenues and other sources over (under) expenditures and other uses	-	219	219
Unencumbered fund balance, January 1	-	4,057	4,057
Unencumbered fund balance, December 31	\$ -	\$ 4,276	\$ 4,276

(Concluded)

CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR ENTERPRISE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2011

	REFUSE		
	Budget	Actual	Variance
Revenues and other sources			
Charges for services	\$ 1,332,000	\$ 1,379,625	\$ 47,625
Interest income	5,000	2,025	(2,975)
Other	40,097	1,542	(38,555)
Reimbursement of expenditures	500	5,041	4,541
Transfers from other funds	-	-	-
Total revenues and other sources	1,377,597	1,388,233	10,636
Expenditures and other uses			
Personal services	544,395	519,039	25,356
Contractual services	322,500	291,349	31,151
Materials and supplies	331,807	296,781	35,026
Other	1,120	727	393
Capital outlay	115,700	100,573	15,127
Debt Service	42,512	42,508	4
In lieu of franchise taxes	65,000	64,846	154
Transfers to other funds	-	-	-
Total expenditures and other uses	1,423,034	1,315,823	107,211
Revenues and other sources over (under) expenditures and other uses	(45,437)	72,410	117,847
Unencumbered fund balance, January 1	514,945	613,054	98,109
Unencumbered fund balance, December 31	\$ 469,508	\$ 685,464	\$ 215,956

STORMWATER DRAINAGE			QUAIL RIDGE GOLF COURSE			
Budget	Actual	Variance	Budget	Amended Budget	Actual	Variance
\$ 152,500	\$ 148,559	\$ (3,941)	\$ 450,700	\$ 450,700	\$ 457,935	\$ 7,235
1,000	494	(506)	500	500	-	(500)
-	285	285	3,080	3,080	1,056	(2,024)
-	-	-	-	-	-	-
-	-	-	537,300	537,300	563,300	26,000
153,500	149,338	(4,162)	991,580	991,580	1,022,291	30,711
-	-	-	336,236	336,236	318,075	18,161
51,200	30,499	20,701	115,420	115,420	87,814	27,606
59,850	12,825	47,025	155,809	155,809	162,572	(6,763)
-	-	-	4,814	4,814	1,964	2,850
-	-	-	21,000	96,295	88,492	7,803
97,849	-	97,849	358,719	358,719	358,719	-
-	-	-	-	-	-	-
20,000	111,639	(91,639)	-	-	-	-
228,899	154,963	73,936	991,998	1,067,293	1,017,636	49,657
(75,399)	(5,625)	69,774	(418)	(75,713)	4,655	80,368
121,254	167,517	46,263	481	481	6	475
<u>\$ 45,855</u>	<u>\$ 161,892</u>	<u>\$ 116,037</u>	<u>\$ 63</u>	<u>\$ (75,232)</u>	<u>\$ 4,661</u>	<u>\$ 79,893</u>

CITY OF WINFIELD, KANSAS

BUDGETED INTERNAL SERVICE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2011

	MANAGEMENT SERVICES			OPERATIONS CENTER		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues and other sources						
Interfund contributions	\$ 2,535,167	\$ 2,393,062	\$ (142,105)	\$ 565,171	\$ 477,424	\$ (87,747)
Other	137,200	142,884	5,684	1,100	1,162	62
Total revenues and other sources	<u>2,672,367</u>	<u>2,535,946</u>	<u>(136,421)</u>	<u>566,271</u>	<u>478,586</u>	<u>(87,685)</u>
Expenditures and other uses						
Personal services	2,006,614	1,912,779	93,835	343,103	303,936	39,167
Contractual services	422,267	422,184	(83)	118,995	92,249	26,746
Materials and supplies	164,773	134,176	30,597	78,298	70,173	8,125
Other	14,900	17,554	(2,654)	875	922	(47)
Capital outlay	44,900	28,950	15,950	25,000	11,284	13,716
Debt Service	17,963	17,963	-	-	-	-
Contingency	1,000	-	1,000	-	-	-
Total expenditures and other uses	<u>2,672,417</u>	<u>2,533,606</u>	<u>138,645</u>	<u>566,271</u>	<u>478,564</u>	<u>87,707</u>
Revenues and other sources over (under) expenditures and other uses	(50)	2,340	2,224	-	22	22
Unencumbered fund balance, January 1	<u>50</u>	<u>\$ 72</u>	<u>22</u>	<u>33</u>	<u>29</u>	<u>(4)</u>
Unencumbered fund balance, December 31	<u>\$ -</u>	<u>\$ 2,412</u>	<u>\$ 2,246</u>	<u>\$ 33</u>	<u>\$ 51</u>	<u>\$ 18</u>