

# Comprehensive Annual Financial Report



City of Winfield, Kansas  
for Fiscal Year ending  
December 31, 2016

# **CITY OF WINFIELD, KANSAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

### **MAYOR AND CITY COMMISSION**

**Brenda K. Butters – Mayor**

**Ronald E. Hutto – Commissioner**

**Gregory N. Thompson – Commissioner**

### **PREPARED BY**

**CITY CLERK/DIRECTOR OF FINANCE**

**Brenda Peters**

**CITY OF WINFIELD, KANSAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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# **INTRODUCTORY SECTION**



September 29, 2017

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, 2016. 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 is 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 George, Bowerman & Noel, P.A. issued an unqualified opinion on the City of Winfield's financial statements for the year ended December 31, 2016. 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 12,284 and 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 35,963.

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, ambulance services, 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 single-stream recycling to its citizens, along with composting site facilities, available at no charge to area residents. In addition, library 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***

The intersection of U.S. Highway 160 and U.S. 77 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 of which include three Fortune 500 companies, Rubbermaid, WestRock, and GE Aviation. The GE aviation plant has announced it will begin making engines, specifically the Passport 20 engine. The Winfield location was chosen from 80 other potential GE sites for producing the engine. Building these engines in Winfield will not only create jobs, it will stabilize employment. GE, Strother Field location, will invest approximately \$7 million in machinery and equipment that will enable the Strother field plant to assemble, maintain, repair and overhaul the new engine.

Southwestern College, a private liberal arts four year institution established in 1885, has an estimated enrollment of over 1,323 students. Southwestern has made major infrastructure improvements in recent years, including a \$4.8 million renovation of the Richard L. Jantz football stadium and the Richardson Performing Arts Auditorium.

2016 sales tax receipts still had a slight decrease of 1.67% over the 2015 sales tax collections which does not include the increase in sales tax rate that went into effect July of 2014. The City of Winfield approved the imposition of a general purpose four-tenths of one percent (0.40%) City-wide retailers' sales tax for renovations to finance costs of certain library, street and other capital improvements throughout the City.

Real estate property assessed valuation increased 2.6% from 2015 to 2016, reflecting steady property values. The City issued 11 new dwelling unit permits, and a total of \$9,119,003 of building permits in 2016. This is a fairly significant decrease to the 2015 statistics of dwelling permits, and a decrease in building permits issued (overall) of \$2,347,452. 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 years 2010 through 2016 have shown gradual turnaround. At the end of 2016, Cowley County unemployment was at 4.2%, down very slightly from the 2015 unemployment rate of 4.5%. The increases in sales tax, the gradual increase in permits issued, decreased unemployment rate and the upcoming industrial developments indicate an improving economic environment.

### ***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. In 2014, the City increased water and electric service rates which will help cover debt for the maintenance performed on the water tower and will assist in building a fund balance in the water fund for future water projects. The electric utility increase comes after numerous years of increasing electric costs and no corresponding increase to base rates. 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 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 past fifteen years, that have provided long term 'quality of life' enhancements, and maintained necessary city infrastructure. Years 2009-2012 were viewed as stabilization years as we paid down bonded indebtedness. The City-wide debt load has dropped from approximately \$28.6 million at the end of 2004 to \$20.6 million at the end of 2015. In October of 2015, the City refinanced existing debt and temporary notes into general obligation debt. We continue to evaluate our financial goals on the notion of an improving economy.

The City's insurance and self-insurance programs have been funded and administered as part of the City's Risk management. Funds were maintained in a reserve fund 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 late 2011, through the Kansas Eastern Region Insurance Trust group (KERIT) but continues to fund the Risk Management reserve to fulfill liabilities prior to transitioning to 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 2016, an average of \$8.44 million was invested for an average of 318 days, at an average rate of 0.87%.

#### ***Major Initiatives***

- City of Winfield continues to maintain its single family home builds., but still surpassing 2008 numbers.
- The City began collecting sales tax from an increase for a 7 year period for library renovations and street/infrastructure improvements. Voters approved an additional .4% sales tax increase in February 2014, with 81% of those voting in favor of the increase. The increase went into effect July 1, 2014. The library portion of \$900,000 was reached in March of 2016. Going forward, all collections will be used for street and ADA projects.
- The City entered into an agreement with the Kansas Department of Transportation (KDOT) authorizing a Geometric Project for improvements on US Highway 77 from 7<sup>th</sup> Avenue to 4<sup>th</sup> Avenue. The State of Kansas' participation in the cost of construction and construction engineering will be 90%.
- The City entered into an agreement with the Kansas Department of Transportation (KDOT) authorizing a KLINK Project for mill and overlay with patching and pavement marking on 9<sup>th</sup> Avenue from Loomis Street to College Street; and on Main Street from 6<sup>th</sup> Avenue to Manning

Street. The State of Kansas' participation in the cost of construction and construction engineering will be 50%.

- The City entered into an agreement with the Kansas Department of Transportation (KDOT) authorizing a KLINK Project for improvements on the Viking Boulevard to the east city limits on US Highway 160. The State of Kansas' participation in the cost of construction and construction engineering will be 50%.
- The City entered into an agreement with the Kansas Department of Transportation (KDOT) authorizing a KLINK Project for improvements on the Viking Boulevard to the east city limits on US Highway 160. The State of Kansas' participation in the cost of construction and construction engineering will be 50%.
- The Kansas Sampler Foundation announced that Winfield will be the host for the 2016-2017 Kansas Sampler Festival. The event is designed to provide the public a sample of what there is to see, do, hear, taste, buy, and learn in Kansas. The statewide showcase is the only one of its kind in the United States and is always held the first full weekend in May. In 2016, the Kansas Sampler Foundation announced that this would be the final Kansas Sampler Festival.
- Standard & Poor's Rating Services affirmed its 'A+' long-term rating on Winfield, Kansas' General Obligation (GO) bonds, based on improved general fund balance levels, strong management team, and strong liquidity.
- The City continued its sidewalk and other infrastructure improvements, related to ADA compliance.

#### ***Certificate of Achievement and Acknowledgments***

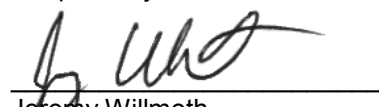
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Winfield for its comprehensive annual financial report for the year ended December 31, 2015. This was the fifteenth consecutive 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.

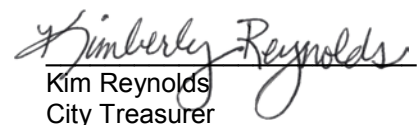
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 George, Bowerman & Noel, P.A. 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,

  
Jeremy Willmoth  
City Manager

  
Brenda Peters  
City Clerk

  
Kim Reynolds  
City Treasurer

# **CITY OF WINFIELD, KANSAS**

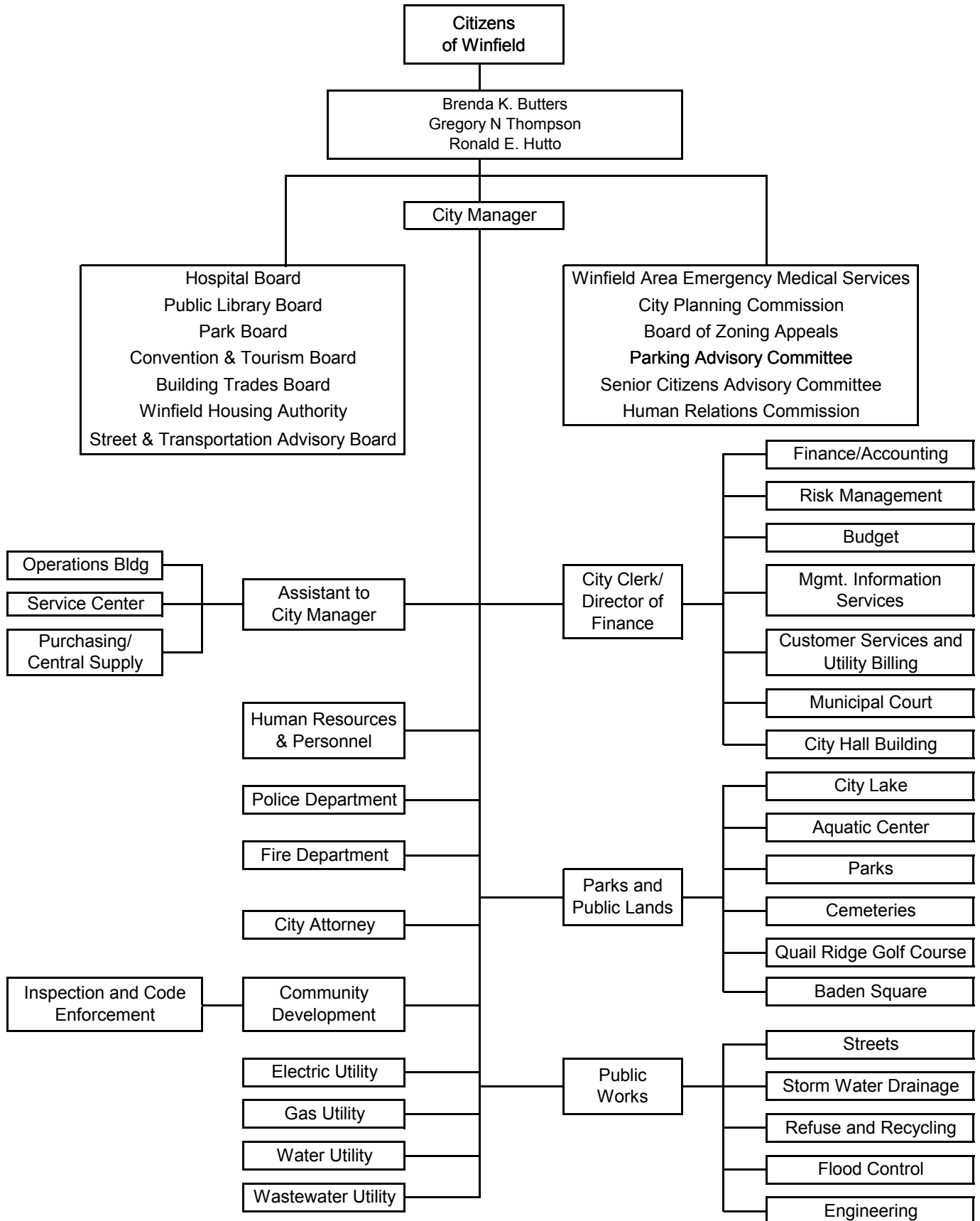
## **LIST OF PRINCIPAL OFFICIALS**

**DECEMBER 31, 2016**

Mayor	Brenda K. Butters
City Commissioner	Gregory N. Thompson
City Commissioner	Ronald E. Hutto
City Manager	Adam R. Collins
City Attorney	William Muret
Assistant to the City Manager	Gary Mangus
City Clerk/Director of Finance	Brenda Peteres
City Treasurer	Kimberly Reynolds
Fire Chief	Alan Stoll
Police Chief	Danny Parker
Director of Public Work/Engineering	Russel A. Tomevi
Director of Community Development	Patrick Stward
Municipal Judge	Thomas D. Herlocker
Director of Electric and Water Utilities	James Ging
Director of Gas and Wastewater Utilities	Adam R. Collins
Director of Parks and public Lands	Mark Olney

# CITY OF WINFIELD, KANSAS

## ORGANIZATIONAL CHART





Government Finance Officers Association

**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, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO

## **FINANCIAL SECTION**

# **George, Bowerman & Noel, P.A.**

*Certified Public Accountants  
Management Consultants  
Tax Advisors*

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Epic Center 301 N. Main, Suite 1350 Wichita, Kansas 67202 Telephone (316) 262-6277 Fax (316) 265-6150

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
City Commission  
Winfield, Kansas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Winfield, Kansas (City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Winfield Public Library and the Winfield Housing Authority, which represent 100 percent, 100 percent and 100 percent, respectively, of the assets, net position and revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor



considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, based on our audit and the reports of other auditors, 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 discretely presented component units, each major fund and the aggregate remaining fund information of the City of Winfield, Kansas, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows 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.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 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 of inquiries of management about 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.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

*George, Bowerman & Noel, P.A.*

Wichita, Kansas  
September 7, 2017

## CITY OF WINFIELD, KANSAS

### Management's Discussion and Analysis December 31, 2016

As management for the City of Winfield, Kansas (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Finances for this City are multifaceted and quite complex. As such, management desires for this narrative to be informative beyond what is seen on the face of the statements and to discuss the financial activities of the City. We hope you find these comments helpful as you read through them.

#### **Financial Highlights**

The assets and deferred outflow of resources for the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$62,309,241 (net position). Of this amount, the unrestricted net position is a deficit balance of \$1,195,259. The existence of such a deficit does not necessarily mean that a government is on the brink of fiscal disaster—additional information is needed to place it in context.

The City's total net position decreased by \$743,316 during the fiscal year.

At the close of 2016, the City's governmental funds reported combined ending fund balances of \$4,260,165. There is a negative \$3,041 of unassigned Fund Balance.

At the close of 2016, the City's primary operating fund, the general fund, had a fund balance of \$957,608 or 11.97% of the total general fund revenues of \$7,997,098.

The City's total bonded debt, capital leases and inter-local debt decreased \$2,356,779 during the current fiscal year. The City continues to make payments on existing long-term debt.

#### **Overview of the Financial Statements**

The City's financial report consists of the following sections:

- Management Discussion and Analysis;
- The basic financial statements, which include the government-wide and the fund financial statements, along with the notes to the basic financial statements;
- Combining and individual statements and schedules for non-major funds; and,
- Statistical section

The basic financial statements of the City include the government-wide financial statements and the fund financial statements. The notes to the financial statements follow the basic financial statements and are essential for the reader's understanding of the financial statements. Other supplementary information, including the statistical section, is also included at the end of this report to provide additional context and information for the reader.

***Government-wide financial statements*** present the results of the City's operations using the accrual basis of accounting, the basis of accounting used by private-sector businesses. These statements focus on the long-term financial picture of the City as a whole.

The *statement of net position* reports all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the two reported as *net position*. Net position is an important measure of the City's overall financial health. The increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The *statement of activities* shows how the City's net position changed during the most recent fiscal year. The unique feature of this statement is how it shows the revenues and expenses related to specific programs and how much of the programs were supported by the general taxes of the City. Since this statement is

## CITY OF WINFIELD, KANSAS

### Management's Discussion and Analysis December 31, 2016

prepared on the accrual basis of accounting, all revenues and expenses are included, regardless of when cash is actually received.

Both statements show the operations of the City broken down by governmental activities and business-type activities. Governmental activities are the operations of the City generally supported by taxes, such as public works, public safety, parks, land management, and general administration. Business-type activities are operations of the City that are intended to recover all or a significant portion of their costs through user fees and charges. These consist of the five utilities the City operates: electric, natural gas, water, wastewater, and refuse along with the Quail Ridge Golf Course.

**Fund financial statements** focus on individual parts of the City's government. These statements report the City's operations in more detail than the government-wide financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** financial statements are prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, 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 reported in these 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 maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

**Proprietary funds** are used by the City to account for activities that operate similar to commercial enterprises found in the private sector. Funds that charge fees for services provided to outside customers including other local governments are called enterprise funds. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Funds that charge fees for services provided to departments within the reporting government are known as internal service funds. Proprietary funds use the accrual basis of accounting; thus, the only reconciling items needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements relate to the elimination of internal service fund activity and capital asset ownership transfers

The City has six enterprise funds: Electric Fund, Natural Gas Fund, Water Fund, Wastewater Fund, Refuse Fund, and the Quail Ridge Golf Course Fund. The City has six internal service funds: Management Services, Operational Services, Risk Management Reserve, Workers' Compensation Reserve, Health Insurance Reserve and Short Term Disability Reserve. The Electric, Natural Gas, Water and Wastewater funds are the only ones considered major for presentation purposes.

**Fiduciary funds** are used by the City to account for resources held by the City for the benefit of a third party. Fiduciary funds are not reflected in the government-wide financial statements, since the resources of those funds are not available to support the City's operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

# CITY OF WINFIELD, KANSAS

## Management's Discussion and Analysis December 31, 2016

**Notes to the basic financial statements** provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the financial statements and accompanying notes described above, this report also contains *required supplementary information* concerning the City's progress in funding its obligation to provide postemployment benefits to its employees and supplementary information regarding non-major funds have been included to give the reader greater context of the information provided.

### **Analysis of the Government-Wide Financial Statements**

#### ***Analysis of net position***

As indicated earlier, net position may serve over time as a useful indicator of the City's financial condition. For the City, net assets plus deferred outflows exceeded liabilities plus deferred inflows of resources by \$62,309,241 at the close of the current fiscal year. The City's net position decreased by \$743,316 from the prior year, with business-type activities accounting for a decrease of \$2,567,249 offset by an increase of \$1,823,933 in governmental activities.

#### **City of Winfield Net Position**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 13,770,320	\$ 11,667,953	\$ 11,778,554	\$ 12,991,227	\$ 25,548,874	\$ 24,659,180
Capital assets	30,359,236	31,357,073	43,419,980	44,766,798	73,779,216	76,123,871
Total assets	<u>44,129,556</u>	<u>43,025,026</u>	<u>55,198,534</u>	<u>57,758,025</u>	<u>99,328,090</u>	<u>100,783,051</u>
Deferred Outflows	<u>1,798,090</u>	<u>707,905</u>	<u>1,032,391</u>	<u>340,734</u>	<u>2,830,481</u>	<u>1,048,639</u>
Long-term liabilities	18,161,596	18,204,042	9,713,505	9,259,534	27,875,101	27,463,576
Other liabilities	4,306,406	3,002,330	3,568,323	3,315,784	7,874,729	6,318,114
Total liabilities	<u>22,468,002</u>	<u>21,206,372</u>	<u>13,281,828</u>	<u>12,575,318</u>	<u>35,749,830</u>	<u>33,781,690</u>
Deferred Inflows	<u>4,478,517</u>	<u>4,700,379</u>	<u>289,609</u>	<u>296,704</u>	<u>4,768,126</u>	<u>4,997,083</u>
Net position:						
Net investment in						
Capital Assets	18,881,347	17,577,431	38,952,498	38,571,383	57,833,845	38,386,472
Restricted for:						
Capital Projects	433,962	137,366	2,574,319	-	3,008,281	137,366
General Government	115,406	-	-	-	115,406	-
Public Safety	559,189	-	-	-	559,189	-
Public Works	220,052	-	-	-	220,052	-
Health & Welfare	144,050	-	-	-	144,050	-
Environmental Prot.	39,406	-	-	-	39,406	-
Cultural & Recreation	92,269	-	-	-	92,269	-
Economic Devel.	730,560	-	-	-	730,560	-
Enabling Legislation	-	1,754,954	-	-	-	1,754,954
Debt Service	761,442	525,896	-	-	761,442	525,896
Cemetery Endow.	-	6,000	-	-	-	6,000
Unrestricted (deficit)	<u>(2,996,556)</u>	<u>(2,175,827)</u>	<u>1,132,671</u>	<u>6,655,354</u>	<u>(1,863,885)</u>	<u>4,479,527</u>
Total net position	<u>\$ 18,981,127</u>	<u>\$ 17,825,820</u>	<u>\$ 42,659,488</u>	<u>\$ 45,226,737</u>	<u>\$ 61,640,615</u>	<u>\$ 63,052,557</u>

The City's net position decreased \$743 thousand in 2016 with the governmental activities contributing an increase of \$1,824 thousand and the business-type activities contributing a decrease of \$2,567 to that net change. Approximately 93 percent of the City's net position reflect a net investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, and construction work in process), 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. The City has about \$5,671 thousand of restricted net position, which represents resources that are subject to external restrictions on

# CITY OF WINFIELD, KANSAS

## Management's Discussion and Analysis December 31, 2016

how they may be spent. The unrestricted net position represents the amount of net position that is neither net investment in capital assets nor restricted. The City's unrestricted net position at December 31, 2016 was a deficit of \$1,195 thousand.

Long-term liabilities (due in more than one year) decreased by \$403 thousand. Total general obligation bonded debt liability decreased by \$1,760 thousand. However, the net pension obligation related to the Kansas Public Employees Retirement System (KPERS), including the Kansas Police & Firemen portion of that Plan, increased by \$1,911 thousand and capital leases decreased by \$565 thousand. Unrestricted net position decreased by \$5,675 thousand principally due to the increase in net position restricted for capital improvements.

### *Analysis of Changes in Net Position*

As stated earlier, the City's net position decreased by \$743,316 during the current fiscal year. The following table reflects the revenues and expenses for the City's activities for the year ended December 31, 2016, and illustrate the comparison between 2016 and the prior year:

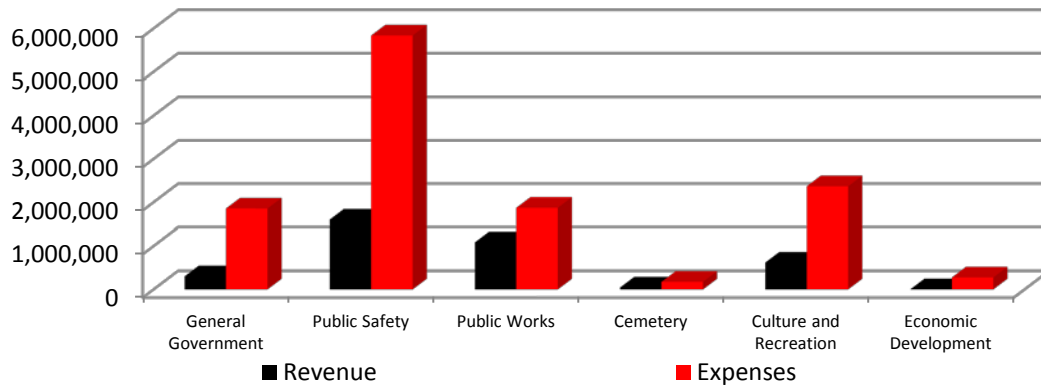
### City of Winfield Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2,081,863	\$ 2,171,461	\$ 36,753,989	\$ 36,910,409	\$ 38,835,852	\$ 39,081,870
Operating grants and contributions	1,295,256	606,833	-	-	1,295,256	606,833
Capital grants and contributions	307,425	614,080	-	122,547	307,425	736,627
General revenues:					-	-
Property taxes	4,122,880	4,068,492	-	-	4,122,880	4,068,492
Sales taxes	2,593,154	2,814,924	-	-	2,593,154	2,814,924
Franchise taxes	162,633	173,254	-	-	162,633	173,254
Transient Guest Tax	97,115	96,634	-	-	97,115	96,634
Alcohol Beverage Tax	57,006	76,168	-	-	57,006	76,168
Investment Earnings	27,740	11,666	46,676	25,308	74,416	36,974
Other	-	84,349	-	-	-	84,349
Total revenues	10,745,072	10,717,861	36,800,665	37,058,264	47,545,737	47,776,125
<b>Expenses:</b>						
General government	1,857,537	2,681,384	-	-	1,857,537	2,681,384
Public safety	5,839,730	6,533,821	-	-	5,839,730	6,533,821
Public works	1,874,415	303,226	-	-	1,874,415	303,226
Cemetery	176,880	166,866	-	-	176,880	166,866
Culture and recreation	2,369,941	1,980,871	581,613	611,452	2,951,554	2,592,323
Health & welfare	78,513	101,146	-	-	78,513	101,146
Economic development	278,007	190,447	-	-	278,007	190,447
Interest on long-term debt	154,058	459,790	-	-	154,058	459,790
Electric	-	-	26,856,102	24,958,831	26,856,102	24,958,831
Natural Gas	-	-	3,087,782	3,376,428	3,087,782	3,376,428
Water	-	-	2,136,541	2,322,396	2,136,541	2,322,396
Wastewater	-	-	2,302,971	1,322,722	2,302,971	1,322,722
Refuse	-	-	1,363,589	1,954,858	1,363,589	1,954,858
Total expenses	12,629,081	12,417,551	36,328,598	34,546,687	48,957,679	46,964,238
Change in net position before transfers	(1,884,009)	(1,699,690)	472,067	2,511,577	(1,411,942)	811,887
Transfers	3,039,316	2,793,052	(3,039,316)	(2,793,052)	-	-
Change in net position after transfers	1,155,307	1,093,362	(2,567,249)	(281,475)	(1,411,942)	811,887
Net position, beginning	17,825,820	16,732,458	45,226,737	45,508,212	63,052,557	62,240,670
Net position, ending	\$ 18,981,127	\$ 17,825,820	\$ 42,659,488	\$ 45,226,737	\$ 61,640,615	\$ 63,052,557

The chart below illustrates how the City's various governmental activities program revenue vs. program expenses fared in 2016.

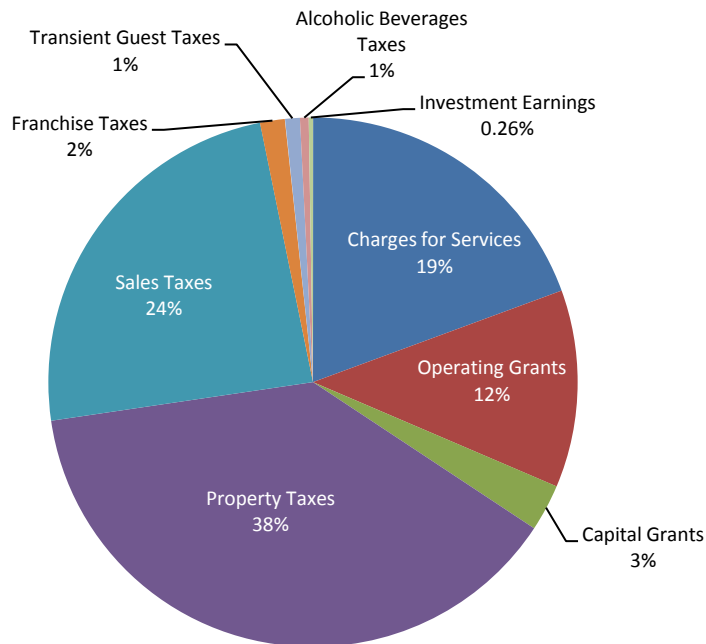
## CITY OF WINFIELD, KANSAS

### Management's Discussion and Analysis December 31, 2016



Public safety expense continues to represent the largest governmental activity expense, 5.8 million, or 49 percent of the City's total governmental activity expenses of \$12.0 million. Public safety expenses include police, fire, ambulance, building inspection and public parking services provided by the City. Public works expenses increased significantly due to the infusion of local sales tax funds for street repairs and maintenance and also the award of Kansas Department of Transportation (KDOT) grants for certain street improvement projects. Public works expenses comprised \$1,874 million of the total governmental expenses for 2016, or about 16 percent of the total expenses. Culture and recreation activities account for \$2,370 million of the total governmental expenses, or about 20 percent of the total expenses. This activity includes the aquatic park, parks maintenance and the recreation operations at the City of Winfield Lake.

The chart below illustrates the City's overall program and general revenues for governmental activities in 2016.



Major sources of revenue in the governmental activities continue to be property, sales, and other taxes as illustrated in the above graph. Property taxes comprised \$4.1 million, or 38% of the City's governmental activities total revenues. Sales taxes comprised \$2.5 million, or 24% of the City's governmental activities total revenues. "Other taxes" revenues include franchise, alcohol beverage and transient guest taxes and

## CITY OF WINFIELD, KANSAS

### Management's Discussion and Analysis December 31, 2016

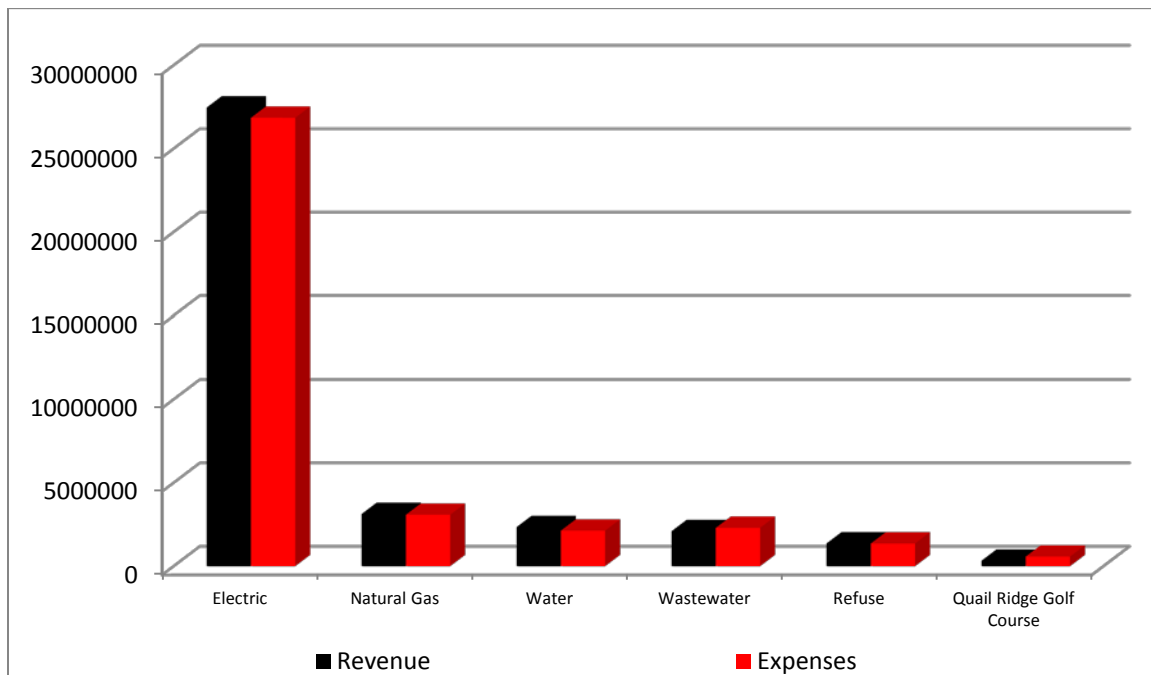
comprise approximately 4% of total revenues. The Electric Utility, Natural Gas Utility, Water Utility and Refuse Funds pay the General Fund "in lieu of" franchise fees, a set percentage of gross revenues, similar to what would be assessed by third-party companies supplying services to the City of Winfield citizens. These payments are reflected as transfers in the above chart and represent about 22% of total governmental activity revenues and transfers. Operating grants and contributions include primarily public works operational and maintenance funding through the State of Kansas and public safety operational funding through Cowley County and other local Fire District's. Capital grants and contributions include contributions and federal and state grants for public safety equipment and for public works street improvement projects.

Sales tax collections for governmental activities decreased \$222 thousand or about 2 percent from the 2015 sales tax collections. 2015 reflected a spike up due to the mid-year 2014 the sales tax rate increase of .40%, for library and street improvements.

#### ***Business-type Activities***

The City operates five utilities and a municipal golf course. Combined the electric and gas utilities comprise 83 percent of the total business-type activity charges.

The City's net position related to business-type activities decreased by \$2,567,249 from the prior year. While most of these activities are covering their operating cost, the losses come from their collective inability to cover their portion of the shared costs with the governmental activities programs.



Highlights in the business-type activities area include:

- Total revenues for all business-type activities decreased by \$156 thousand from the prior year. Total revenues for the Electric Utility increased by \$547 thousand, the Gas Utility decrease by \$856 thousand, the Water Utility increased by \$15 thousand, the Wastewater Utility increased by \$161 thousand, the Refuse total revenues decreased by \$6 thousand and the Quail Ridge Golf Course revenues decreased by \$17 thousand.



## **CITY OF WINFIELD, KANSAS**

### **Management's Discussion and Analysis December 31, 2016**

- Total expenses for all business-type activities increased \$1,782 thousand from the prior year. Electric Utility expenses increased by \$1,897 thousand with electric purchases for resale increasing by \$1,243 thousand dollars from 2015. Wastewater Utility expenses increased by \$348 thousand with the remaining utility operations decreasing in total by \$463 thousand.
- The change in net position for the Electric Utility Fund reflects a decrease of \$1,840 thousand which includes transfers out of \$2,690 thousand. The Gas Utility change in net position decreased by \$251 thousand which includes transfers out of \$390 thousand. The change in net position for all other business-type activities was \$65 thousand.
- Weather related conditions continue to impact the Electric, Gas and Water Utilities with moderate winter and summer weather conditions.

#### **Financial Analysis of the City's Funds**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### ***Governmental Funds***

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. Types of governmental funds reports by the City include the general fund, special revenue funds, debt service funds, and capital project funds.

As of the end of the current fiscal year, the City's governmental funds have a combined ending fund balance of \$4,260,165 an increase of \$357,507, or 9.16% in comparison with the prior year. However, this amount is restricted for specific future spending and is not available for general use.

#### **General Fund**

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was \$957,608, a decrease of \$256,832 compared to the prior year. As a measure of the general fund's liquidity, it may be useful to compare the available fund balance to total general fund expenditures. Available fund balance represents 7% of total general fund expenditures of \$8,925,597.

The fund balance in the City's general fund had a decrease of \$256,832 or -21.15% during the current fiscal year. The total revenue in the general fund was \$7,997,098, an increase of \$307,675 or 4.0% over the previous fiscal year mostly due to increases in EMS fees and intergovernmental revenues that offset losses in sales taxes.

Those revenue gains were offset by expenses. The total expenditures in the general fund were \$8,925,597, a decrease of \$143,676 or -1.58% compared to the previous fiscal year mostly due to decreases to the library after their portion of the sales tax was completed.

#### **Debt Service Fund**

At the end of the current fiscal year, the total fund balance was \$761,442, an increase of \$235,546 compared to the prior year all of which is restricted for the payment of future debt.

The total revenue was \$1,076,654, an increase of \$151,015 or 16.31% over the previous fiscal year mostly due to increases in special assessments and payments from the Winfield Recreation Commission.

## **CITY OF WINFIELD, KANSAS**

### **Management's Discussion and Analysis December 31, 2016**

The total expenditures were \$1,480,360, a decrease of \$10,415,420 or -87.56% compared to the previous fiscal year mostly due to the issuance of debt and the receipt of that debt in the debt service fund rather than a capital projects fund. Beginning in 2017, management has determined that all future bond proceeds shall be apportioned among their collective special project funds and the debt service fund shall remain solely for the purpose of defeasing bonds debentures.

#### **Capital Projects Fund**

At the end of the current fiscal year, the total fund balance in all capital project funds were \$433,962, an increase of \$266,335 compared to the prior year all of which is restricted for future capital projects.

The total revenue was \$1,355, an increase of \$1,042 over the previous fiscal year mostly due to increases in interest income.

The total expenditures were \$147,909, a decrease of \$124,747 or -45.75% compared to the previous fiscal year.

Historically, the majority of funds come from the bond and interest account by way of interfund transfer. However, with our new process described above, the majority of revenue will be receipted into the appropriate capital project fund moving forward.

#### **Other governmental funds (Combined)**

This grouping is the summation of all other special revenue funds. These funds are not considered major funds, so the detail on each specific fund can be found in the section titled, "Combining Financial Statements and Individual Fund Schedules".

At the end of the current fiscal year, the total fund balances in all other governmental funds were \$2,107,153, an increase of \$32,763 compared to the prior year all of which is restricted.

The total revenue was \$2,017,307, a decrease of \$36,229 or 1.76% over the previous fiscal year mostly due to increases in intergovernmental revenues, Charges for Services, and interest income that offset losses in miscellaneous revenue.

The total expenditures were \$3,341,610, an increase of \$634,423 or 23.43% compared to the previous fiscal year mostly due to increases in Public Works as a greater portion of the sales tax was targeted to road projects with the library portion of the sales tax being satisfied.

#### ***Proprietary Funds***

The City's proprietary fund statements provide the same type of information found in the government-wide statements, but in more detail.

At the end of the current fiscal year, unrestricted net position for proprietary funds amounted to \$2,387,534. The total decrease in unrestricted net position was \$4,840,353 from the prior year.

The electric fund had a total net position of \$23,632,196 at the end of the current fiscal year. The Electric Fund and the Electric Depreciation Fund were combined in FY 2016. For comparison purposes, the net position of this combined Fund in 2016 with the two separate funds in 2015 is a combined decrease of \$1,840,470 from the previous year. The majority of the reduction to net position is a reduction in cash and capital assets.

The natural gas fund had a total net position of \$5,016,930 at the end of the current fiscal year. This is a decrease of \$251,024 from the previous year. The majority of the reduction to net position is a reduction in cash.

## CITY OF WINFIELD, KANSAS

### Management's Discussion and Analysis December 31, 2016

The water fund had a total net position of \$4,793,546 at the end of the current fiscal year. This is an increase of \$233,819 from the previous year. Net position was up from the prior year due primarily to a reduction in outstanding bonds.

The wastewater fund had a total net position of \$7,225,674 at the end of the current fiscal year. This is a decrease of \$224,119 from the previous year. Net position was down from the prior year due primarily to an increase in net pension liability.

The refuse fund (a non-major proprietary fund) had a total net position of \$1,024,339 at the end of the current fiscal year. This is a decrease of \$77,791 from the previous year. Net position was down from the prior year due primarily to an increase in net pension liability.

The Quail Ridge Golf Course fund (a non-major proprietary fund) had a total net position of \$951,805 at the end of the current fiscal year. This is an increase of \$3,256 from the previous year. Net position was up from the prior year primarily due to an increase in cash somewhat offset by an increase in net pension liability.

The City's six internal service funds had a combined net position of \$635,626 at the end of the current fiscal year.

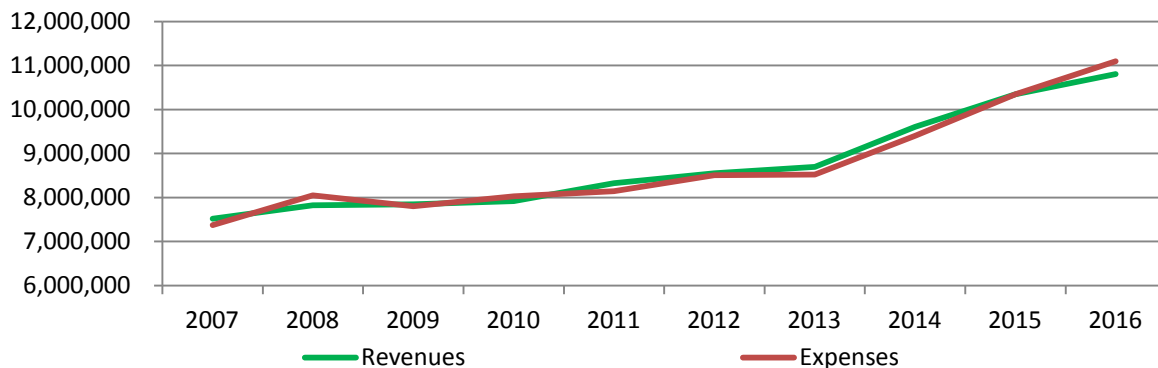
#### ***Fiduciary Funds***

The City maintains three fiduciary funds: Payroll Clearing, Sales Tax, and Flexible Medical. At the end of the fiscal year, the combined assets of these funds were \$319,914.

#### **General Fund Budgetary Highlights**

Actual revenue sources in 2016 totaled more than 99 percent of the amended general fund budget. Revenue highlights are discussed above under 'General Fund'. Overall 2016 expenditures increased 7 percent over the prior year. This is primarily due to the sales tax dollars that were previously distributed to the public library, being transferred to the City Street program fund per the original arrangement. The City's unencumbered fund balance in the general fund at December 31, 2016 was \$315,623, equivalent to 2.84 percent of the 2016 general fund budgetary basis expenditures.

The following graph illustrates the City's General Fund Revenues against Expenditures for fiscal years ended 2006 through 2016:



As this graph illustrates, the City has had revenues in excess of expenditures six of the last ten years. However, the City had expenditures in excess of revenue that had to be made up from the fund balance four of the last ten years, and the last two fiscal years in a row. This is a troubling trend. With the tax lid now in

## CITY OF WINFIELD, KANSAS

### Management's Discussion and Analysis December 31, 2016

effect and revenues flattening, the City will need to continue making tough decisions as to the future plans for budget growth.

#### **Capital Asset and Debt Administration**

##### ***Capital Assets***

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounts to \$73,779,216 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, intangibles, vehicles, roads, water lines, sewer lines, natural gas lines and electric lines.

#### **City of Winfield Capital Assets**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Land	\$ 1,900,213	\$ 1,900,213	\$ 830,777	\$ 830,777	\$ 2,730,990	\$ 2,730,990
Buildings	8,642,917	8,658,129	13,592,579	13,592,579	22,235,496	22,250,708
Improvements	27,443,513	27,503,367	63,061,060	63,188,819	90,504,573	90,692,186
Machinery & Equipment	9,077,551	8,544,553	30,465,443	30,671,743	39,542,994	39,216,296
Less Accumulated Deprec.	(18,325,946)	(17,408,313)	(64,529,879)	(62,651,803)	(82,855,825)	(80,060,116)
Construction in Process	1,620,988	716,679	-	-	1,620,988	716,679
Total	\$ 30,359,236	\$ 29,914,628	\$ 43,419,980	\$ 45,632,115	\$ 73,779,216	\$ 75,546,743

For additional information on capital assets, see Note 4 to the Basic Financial Statements.

#### **Debt Administration**

At the end of the current fiscal year, the City had a total long-term debt outstanding of \$30,005,287. Of this amount, \$15,375,000 was general obligation debt backed by the full faith and credit of the City. However, \$4,503,193 of the general obligation debt is supported by business-type activities revenues.

#### **City of Winfield Outstanding Debt**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
General Obligation	\$ 10,871,807	\$ 12,128,258	\$ 4,503,193	\$ 5,006,743	\$ 15,375,000	\$ 17,135,001
Capital Leases	36,458	118,504	1,099,824	1,582,556	1,136,282	1,701,060
Interlocal Agreement	32,000	64,000	-	-	32,000	64,000
Compensated Absences	253,191	346,297	511,306	424,180	764,497	770,477
Net OPEB Obligation	281,387	327,769	398,919	295,184	680,306	622,953
Net pension Obligation	7,749,721	6,456,605	4,540,712	3,107,721	12,290,433	9,564,326
Revenue Bonds (plus premium)	489,095	569,182	52,981	59,621	542,076	628,803
Total	\$ 19,713,659	\$ 20,010,615	\$ 11,106,935	\$ 10,476,005	\$ 30,820,594	\$ 30,486,620

The City's long-term debt decreased by \$481,329 due to increases in the net pension obligations to KPERs and KP&F that was offset by the decreases in general obligation and capital lease debt.

The City was assigned an "A+" rating from Standard & Poor's for its general obligation bonds in 2015. State Statutes limit the amount of general obligation debt a government entity may issue to 30% of its total assessed valuation. The current debt limitation for the City is \$24,114,000 which is in excess of the City's outstanding general obligation bonds.

For additional information on debt administration, see Note 5 to the Basic Financial Statements.

## **CITY OF WINFIELD, KANSAS**

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### **Management's Discussion and Analysis December 31, 2016**

#### **Requests for Information**

This financial report is designed to provide the reader with a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Finance Department, City of Winfield, 211 E 9th Ave, Winfield, KS 67156.

## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

## CITY OF WINFIELD, KANSAS

## STATEMENT OF NET POSITION

December 31, 2016

	Primary Government			Component Units
	Governmental Activities	Business- Type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 5,574,538	\$ 4,249,121	\$ 9,823,659	\$ 649,554
Receivables:				
Property taxes	3,746,152	-	3,746,152	-
Special assessment taxes	1,831,320	-	1,831,320	-
Sales taxes	216,761	-	216,761	-
Franchise fees	36,369	-	36,369	-
Economic development loan receivable	248,000	-	248,000	-
Trade accounts, net	341,674	3,402,493	3,744,167	469
Accrued interest	-	-	-	2
Due from other governments	452,682	-	452,682	68,549
Due from other funds	20,265	-	20,265	-
Internal balances	592,307	(592,307)	-	-
Inventories	-	2,060,355	2,060,355	3,996
Prepaid expenses	-	34,063	34,063	18,962
Investment in joint venture	-	38,553	38,553	-
Other investments	-	11,957	11,957	-
Restricted assets	-	2,574,319	2,574,319	13,751
Land held for resale	710,252	-	710,252	-
Capital assets:				
Land	1,900,213	830,777	2,730,990	52,776
Buildings	8,642,917	13,592,579	22,235,496	5,465,301
Improvements other than buildings	27,443,513	63,061,060	90,504,573	-
Machinery and equipment	9,077,551	30,465,443	39,542,994	748,399
Less accumulated depreciation	(18,325,946)	(64,529,879)	(82,855,825)	(3,058,060)
Construction work in progress	1,620,988	-	1,620,988	-
Total assets	44,129,556	55,198,534	99,328,090	3,963,699
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	1,608,923	1,032,391	2,641,314	23,362
<b>LIABILITIES</b>				
Accounts payable	106,696	1,921,488	2,028,184	36,896
Accrued payroll payable	202,998	243,058	446,056	19,077
Accrued interest payable	114,649	43,063	157,712	-
Due to other funds	-	20,265	20,265	-
Temporary notes payable	2,330,000	-	2,330,000	-
Noncurrent liabilities:				
Due within one year	1,552,063	1,340,449	2,892,512	284
Due in more than one year	17,346,289	9,713,505	27,059,794	288,334
Total liabilities	21,652,695	13,281,828	34,934,523	344,591
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows for property taxes receivable	3,746,152	-	3,746,152	-
Deferred inflows for accounts receivable	248,000	-	248,000	73,074
Deferred inflows on refundings	80,529	52,981	133,510	-
Deferred inflows related to pensions	361,350	236,628	597,978	33,435
Total deferred inflows of resources	4,436,031	289,609	4,725,640	106,509
<b>NET POSITION</b>				
Net investment in capital assets	18,881,347	38,952,498	57,833,845	3,208,416
Restricted for:				
Debt service	761,442	-	761,442	-
Capital improvements	433,962	2,574,319	3,008,281	-
General government	115,406	-	115,406	-
Public safety	559,189	-	559,189	-
Public works	220,052	-	220,052	-
Health and welfare	144,050	-	144,050	68,188
Environmental protection	39,406	-	39,406	-
Culture and recreation	92,269	-	92,269	-
Economic development	730,560	-	730,560	-
Unrestricted	(2,327,930)	1,132,671	(1,195,259)	259,357
Total net position	\$ 19,649,753	\$ 42,659,488	\$ 62,309,241	\$ 3,535,961

The accompanying notes are an integral  
part of the financial statements.



**CITY OF WINFIELD, KANSAS**  
**STATEMENT OF ACTIVITIES**  
**Year ended December 31, 2016**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units
				Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>	<b>Expenses</b>					
General government	\$ 1,188,911	\$ 303,368	\$ -	\$ (885,543)	\$ -	\$ -
Public safety	5,839,750	1,008,550	466,912	(4,238,404)	-	-
Public works/stormwater	1,874,415	157,748	799,174	(787,338)	-	-
Cemetery	176,880	44,445	-	(132,435)	-	-
Culture and recreation	2,369,941	563,921	5,406	(1,749,614)	-	-
Health and welfare	78,513	-	-	(78,513)	-	-
Economic development	278,007	3,831	-	(274,176)	-	-
Environmental protection	-	-	-	-	-	-
Interest on long-term debt	154,058	-	24,170	(129,888)	-	-
<b>Total Governmental Activities</b>	<b>\$11,960,455</b>	<b>\$2,081,863</b>	<b>\$1,295,256</b>	<b>\$ (8,275,911)</b>	<b>-</b>	<b>-</b>
<b>Business-Type Activities:</b>						
Electric Utility	\$26,856,102	\$27,469,873	\$ -	-	613,771	-
Gas Utility	3,087,782	3,135,190	-	-	47,408	-
Water Utility	2,136,541	2,349,167	-	-	212,626	-
Wastewater Utility	2,302,971	2,101,798	-	-	(201,173)	-
Refuse	1,363,589	1,367,750	-	-	4,161	-
Quail Ridge Golf Course	581,613	330,211	-	-	(251,402)	-
<b>Total Business-Type Activities</b>	<b>\$36,128,998</b>	<b>\$36,753,989</b>	<b>\$ -</b>	<b>-</b>	<b>425,391</b>	<b>-</b>
<b>Component Units:</b>						
Winfield Public Library	\$ 556,466	\$ 69,289	\$ 126,421	-	-	(356,571)
Winfield Housing Authority	366,957	125,004	63,840	-	-	(127,428)
<b>Total Component Units</b>	<b>\$ 923,423</b>	<b>\$ 194,293</b>	<b>\$ 190,261</b>	<b>-</b>	<b>-</b>	<b>(483,999)</b>
<b>General Revenues and Transfers:</b>						
General Revenues:						
Property taxes levied for:						
General purposes				3,429,844	-	-
Debt service				693,036	-	-
Sales taxes				2,593,154	-	-
Franchise fees				162,633	-	-
Transient guest taxes				97,115	-	-
Alcohol beverage taxes				57,006	-	-
Payment from City of Winfield				27,740	46,676	510,613
Investment earnings				3,039,316	(3,039,316)	2,196
Transfers in (out)				-	-	-
<b>Total general revenues and transfers</b>				<b>10,099,844</b>	<b>(2,992,640)</b>	<b>512,809</b>
<b>Change in net position</b>				<b>1,823,933</b>	<b>(2,567,249)</b>	<b>28,810</b>
<b>Net position at beginning of year:</b>						
As previously reported				17,825,820	45,226,737	3,493,793
Restatement for capital assets				-	-	13,358
<b>As restated</b>				<b>17,825,820</b>	<b>45,226,737</b>	<b>3,507,151</b>
<b>Net position at end of year</b>				<b>\$19,649,753</b>	<b>\$42,659,488</b>	<b>\$3,535,961</b>

The accompanying notes are an integral part of the financial statements.

## **FUND FINANCIAL STATEMENTS**

**CITY OF WINFIELD, KANSAS**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
(continued on next page)

**December 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>					
Cash and short-term investments	\$ 643,342	\$ 578,165	\$ 433,962	\$ 3,919,069	\$ 5,574,538
Property taxes receivable	2,559,000	563,655	–	623,497	3,746,152
Special assessment taxes receivable	160,255	1,671,065	–	–	1,831,320
Due from other funds	20,265	183,277	–	210,408	413,950
Accounts receivable, net	321,298	–	–	20,376	341,674
Economic development loan receivable	248,000	–	–	–	248,000
Due from other governmental agencies	–	452,682	–	–	452,682
Franchise fees receivable	36,369	–	–	–	36,369
Sales tax receivable	216,761	–	–	–	216,761
Land held for resale	–	–	–	710,252	710,252
Total assets	<u>\$ 4,205,290</u>	<u>\$ 3,448,844</u>	<u>\$ 433,962</u>	<u>\$ 5,483,602</u>	<u>\$ 13,571,698</u>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>					
Liabilities:					
Accounts payable	\$ 89,419	\$ –	\$ –	\$ 17,277	\$ 106,696
Accrued payroll payable	191,008	–	–	11,990	202,998
Due to other funds	–	–	–	393,685	393,685
Temporary notes payable	–	–	–	2,330,000	2,330,000
Total liabilities	<u>280,427</u>	<u>–</u>	<u>–</u>	<u>2,752,952</u>	<u>3,033,379</u>
Deferred inflows of resources:					
Property taxes receivable	2,559,000	563,655	–	623,497	3,746,152
Special assessment taxes receivable	160,255	1,671,065	–	–	1,831,320
Economic development receivable	248,000	–	–	–	248,000
Intergovernmental receivables	–	452,682	–	–	452,682
Total deferred inflows of resources	<u>2,967,255</u>	<u>2,687,402</u>	<u>–</u>	<u>623,497</u>	<u>6,278,154</u>

**CITY OF WINFIELD, KANSAS**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
(continued from previous page)

**December 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:					
Nonspendable	\$ 20,265	\$ —	\$ —	\$ 716,252	\$ 736,517
Restricted:					
Debt service	—	761,442	—	—	761,442
General government	—	—	—	34,535	34,535
Public safety	—	—	—	559,189	559,189
Stormwater drainage improvements	—	—	—	125,974	125,974
Public works	—	—	—	220,052	220,052
Recreation	—	—	—	92,269	92,269
Health and welfare	—	—	—	18,076	18,076
Economic development	—	—	—	14,308	14,308
Levee maintenance	—	—	—	39,406	39,406
Equipment acquisitions	—	—	—	80,871	80,871
Capital improvements	—	—	433,962	—	433,962
Committed:					
Street improvements	—	—	—	484,533	484,533
Water quality improvements	—	—	—	140,593	140,593
Fairgrounds improvements	—	—	—	129,959	129,959
Cemetery improvements	—	—	—	60,999	60,999
Assigned:					
Capital projects	—	—	—	170	170
Subsequent year's budget	330,351	—	—	—	330,351
Unassigned	<u>606,992</u>	<u>—</u>	<u>—</u>	<u>(610,033)</u>	<u>(3,041)</u>
Total fund balances	<u>957,608</u>	<u>761,442</u>	<u>433,962</u>	<u>2,107,153</u>	<u>4,260,165</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,205,290</u>	<u>\$ 3,448,844</u>	<u>\$ 433,962</u>	<u>\$ 5,483,602</u>	<u>\$ 13,571,698</u>

The accompanying notes are an integral  
part of the financial statements.

**CITY OF WINFIELD, KANSAS**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**

**December 31, 2016**

Total Governmental Fund Balances		4,260,165
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (capital assets net of accumulated depreciation):		
Cost	\$ 48,685,182	
Accumulated depreciation	<u>(18,325,946)</u>	
		30,359,236
Other assets not available to pay for current period expenditures and therefore are not reported in the governmental funds:		
Special assessments receivable		1,831,320
Long-term contractual receivables from other governmental agencies		452,682
Certain items, which result in a consumption of net position applicable to a future reporting period, are recognized as deferred outflows of resources in government-wide financial statements:		
Deferred outflows related to pensions		1,608,923
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Accrued interest payable on general obligation bonds	114,649	
Compensated absences payable	253,191	
Capital lease obligations payable	36,458	
General obligation bonds payable	10,871,807	
Unamortized premium on sale of general obligation bonds	489,095	
Interlocal agreement payable	32,000	
Net pension liability payable	6,934,414	
Net OPEB liability payable	<u>281,387</u>	
		(19,013,001)
Certain items, which result in an acquisition of net position applicable to a future reporting period, are recognized as deferred inflows of resources in government-wide financial statements:		
Deferred inflows related to bond refundings		(80,529)
Deferred inflows related to pensions		(361,350)
Internal service funds are used to charge the cost of certain activities to individual funds. The accumulated equity for the governmental fund types is reported on the statement of net position as internal balances		
		<u>592,307</u>
Net Position of Governmental Activities		<u>\$ 19,649,753</u>

The accompanying notes are an integral  
part of the financial statements.

**CITY OF WINFIELD, KANSAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**

**Year ended December 31, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
Property taxes	\$ 2,762,643	\$ 693,036	\$ -	\$ 667,201	\$ 4,122,880
Sales taxes	2,593,154	-	-	-	2,593,154
Special assessment taxes	-	243,164	-	-	243,164
Franchise taxes	162,633	-	-	-	162,633
Intergovernmental	605,448	-	-	1,069,448	1,674,896
Licenses and permits	52,941	-	-	-	52,941
Charges for services	1,554,411	-	-	167,557	1,721,968
Fines and forfeitures	84,232	-	-	-	84,232
Use of money and property	128,750	12,106	1,355	27,989	170,200
Miscellaneous	<u>52,886</u>	<u>128,348</u>	<u>-</u>	<u>85,112</u>	<u>266,346</u>
Total revenues	<u>7,997,098</u>	<u>1,076,654</u>	<u>1,355</u>	<u>2,017,307</u>	<u>11,092,414</u>
<b>Expenditures:</b>					
Current:					
General government	913,267	9,445	-	313,785	1,236,497
Public safety	6,116,264	-	-	217,161	6,333,425
Public works	-	-	-	1,886,666	1,886,666
Culture and recreation	1,520,391	-	-	680,765	2,201,156
Health and welfare	43,835	-	-	42,295	86,130
Economic development	10,000	-	-	194,014	204,014
Cemetery	168,944	-	-	1,824	170,768
Capital improvements	-	-	147,909	-	147,909
Debt Service	<u>152,896</u>	<u>1,470,915</u>	<u>-</u>	<u>5,100</u>	<u>1,628,911</u>
Total expenditures	<u>8,925,597</u>	<u>1,480,360</u>	<u>147,909</u>	<u>3,341,610</u>	<u>13,895,476</u>
Revenues over (under) expenditures	<u>(928,499)</u>	<u>(403,706)</u>	<u>(146,554)</u>	<u>(1,324,303)</u>	<u>(2,803,062)</u>
<b>Other financing sources (uses):</b>					
Proceeds from capital lease obligation	-	-	-	41,558	41,558
Transfers in	2,966,300	639,252	1,059,141	1,489,772	6,154,465
Transfers out	<u>(2,294,633)</u>	<u>-</u>	<u>(646,252)</u>	<u>(174,264)</u>	<u>(3,115,149)</u>
Total other financing sources (uses)	<u>671,667</u>	<u>639,252</u>	<u>412,889</u>	<u>1,357,066</u>	<u>3,080,874</u>
Net change in fund balances	(256,832)	235,546	266,335	32,763	277,812
Fund balances, beginning of year	<u>1,214,440</u>	<u>525,896</u>	<u>167,627</u>	<u>2,074,390</u>	<u>3,982,353</u>
Fund balances, end of year	<u>\$ 957,608</u>	<u>\$ 761,442</u>	<u>\$ 433,962</u>	<u>\$ 2,107,153</u>	<u>\$ 4,260,165</u>

The accompanying notes are an integral  
part of the financial statements.

## CITY OF WINFIELD, KANSAS

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2016

Net Change in Fund Balances – Total Governmental Funds	\$ 277,812
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Capital outlays	\$ 1,665,484
Depreciation	(1,089,327)
Excess capital outlays over depreciation	576,157
Debt proceeds provide current financial resources for governmental funds, but issuing debt increases long-term liabilities in the statement of net position for:	
Capital lease obligations payable	(41,558)
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due	(7,647)
In the statement of activities, the gain or loss from the disposition of capital assets is reported, whereas in the governmental funds, only cash proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold.	(131,549)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:	
General obligation bond payments	1,165,719
Capital lease obligation payments	123,604
Interlocal agreement payments	<u>32,000</u>
Total payments on long-term liabilities	1,321,323
In the statement of activities the deferred refunding costs increases deferred outflows of resources but does not provide current resources to the governmental funds. Amortization of the deferred refunding costs is reflected in the statement of activities but is not reported as expenditures in the governmental funds:	
Amortization of deferred refunding costs	81,279
Special assessments are not considered available to liquidate liabilities of the current period. However, they are recognized as revenue in the statement of activities as soon as the related improvement is completed and the special assessments are levied	(218,994)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds for:	
Long-term receivables	(128,348)
Pension contributions is an expenditure in the governmental funds but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred outflows and inflows for pensions are only recorded in the statement of activities.	11,051
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:	
Net Other Postemployment Benefits Other Than Pensions (OPEB) liability change	(20,578)
Compensated absences payable	(17,274)
Amortization of premium on issuance of general obligation bonds	<u>79,898</u>
Total	42,046
Internal service funds are used to charge the cost of certain activities to the individual funds. Net revenue (expense) of the internal service funds is reported within governmental activities	<u>42,361</u>
Change in Net Position of Governmental Activities	\$ 1,823,933

The accompanying notes are an integral  
part of the financial statements.

**CITY OF WINFIELD, KANSAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS  
(continued on next page)**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues and other sources:				
Taxes				
Property	\$ 2,831,367	\$ 2,831,367	\$ 2,762,643	\$ (68,724)
Sales	2,700,000	2,700,000	2,652,782	(47,218)
Franchise	180,000	180,000	163,522	(16,478)
Intergovernmental	381,200	444,490	476,386	31,896
Licenses, fees and permits	581,971	581,971	933,285	351,314
Charges for services	700,250	700,250	566,170	(134,080)
Fines and forfeitures	125,000	125,000	84,232	(40,768)
Use of money and property	107,000	107,000	128,750	21,750
Miscellaneous	43,046	43,046	68,324	25,278
Transfers in	<u>3,101,550</u>	<u>3,101,550</u>	<u>2,966,300</u>	<u>(135,250)</u>
 Total revenues and other sources	 <u>10,751,384</u>	 <u>10,814,674</u>	 <u>10,802,394</u>	 <u>(12,280)</u>
Expenditures, encumbrances and other uses:				
General government:				
Administrative/other	794,114	929,496	952,597	(23,101)
Cemetery maintenance	176,710	183,505	163,824	19,681
Public safety:				
Police Department	2,696,749	2,566,744	2,580,123	(13,379)
Fire Department	2,987,447	3,087,492	2,825,096	262,396
EMS Department	257,523	247,802	261,927	(14,125)
Municipal Court	72,798	75,971	75,628	343
Parking	16,915	22,218	22,239	(21)
Culture and recreation:				
City Lake	332,100	312,617	311,776	841
Park maintenance	840,378	804,128	772,261	31,867
Baden Square	212,728	241,487	214,474	27,013
Aquatic facility	194,983	178,344	171,381	6,963
Economic Development:				
Community development	346,260	342,191	331,700	10,491



**CITY OF WINFIELD, KANSAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**(continued from previous page)**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous	\$ 118,591	\$ 118,591	\$ 120,896	\$ (2,305)
Transfers out	<u>2,140,930</u>	<u>2,140,930</u>	<u>2,294,633</u>	<u>(153,703)</u>
Total expenditures, encumbrances and other uses	<u>11,188,226</u>	<u>11,251,516</u>	<u>11,098,555</u>	<u>152,961</u>
Revenues and other sources over (under) expenditures, encumbrances and other uses	(436,842)	(436,842)	(296,161)	140,681
Fund balance, beginning of year	<u>436,842</u>	<u>436,842</u>	<u>611,784</u>	<u>174,942</u>
Fund balance, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 315,623</u>	<u>\$ 315,623</u>

The accompanying notes are an integral  
part of the financial statements.

**CITY OF WINFIELD, KANSAS**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**

December 31, 2016

	Business-Type Activities – Enterprise Funds					Governmental Activities Internal Service Funds
	Electric Utility	Gas Utility	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Total Enterprise Funds
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 2,112,115	\$ 221,950	\$ 35,192	\$ 143,639	\$ 753,828	\$ 3,266,724
Trade accounts receivable	2,195,970	574,755	240,242	224,669	136,968	3,372,604
Inventories	1,305,480	461,001	127,600	27,674	26,378	1,948,133
Prepaid expenses	—	—	—	—	—	—
Restricted assets:						
Cash and investments restricted for:						
Electric Utility improvements	2,486,819	—	—	—	—	2,486,819
Wastewater Utility improvements	—	—	—	87,500	—	87,500
Total current assets	8,100,384	1,257,706	403,034	483,482	917,174	11,161,780
Noncurrent assets:						
Property, plant and equipment:						
Land	382,366	6,303	8,801	23,355	403,452	824,277
Buildings	3,424,606	540	1,500,773	5,842,677	574,793	11,343,389
Improvements other than buildings	28,783,309	6,429,834	10,890,830	12,231,260	2,659,778	60,995,011
Machinery and equipment	19,534,274	964,910	5,407,352	2,585,741	1,973,166	30,465,443
Less accumulated depreciation	(52,124,555)	(7,401,587)	(17,807,756)	(20,683,033)	(5,611,189)	(103,628,120)
	(33,645,652)	(3,103,095)	(8,363,230)	(12,409,454)	(4,085,386)	(61,606,817)
Property, plant and equipment, net	18,478,903	4,298,492	9,444,526	8,273,579	1,525,803	42,021,303
<b>OTHER ASSETS</b>						
Advances to other funds	55,909	6,645	2,970	4,912	7,620	78,056
Investment in joint venture	—	—	—	—	38,553	38,553
Other investments	11,957	—	—	—	—	11,957
Total other assets	67,866	6,645	2,970	4,912	46,173	128,566
Total assets	26,647,153	5,562,843	9,850,530	8,761,973	2,489,150	53,311,649
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows of resources:						
Deferred outflows related to pensions	298,728	85,731	97,712	102,771	90,250	675,192
Total assets and deferred outflows of resources	26,945,881	5,648,574	9,948,242	8,864,744	2,579,400	53,986,841

	Business-Type Activities - Enterprise Funds					Governmental Activities	
	Electric Utility	Gas Utility	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>LIABILITIES</b>							
Current liabilities:							
Salaries and wages payable	\$ 80,317	\$ 19,787	\$ 23,323	\$ 23,011	\$ 18,378	\$ 164,816	\$ 78,242
Accounts payable	1,603,839	137,387	17,295	17,201	75,807	1,851,529	69,959
Compensated absences payable	83,126	26,666	29,622	19,442	16,540	175,396	91,172
Current portion of general obligation bonds payable	-	-	513,193	-	-	513,193	-
Accrued interest payable	-	-	36,140	6,923	-	43,063	-
Current portion of capitalized lease obligations payable	-	-	-	527,469	33,219	560,688	-
Total current liabilities	1,767,282	183,840	619,573	594,046	143,944	3,308,685	239,373
Noncurrent liabilities:							
Advances from other funds	-	-	-	-	-	-	70,000
Long-term portion of compensated absences payable	78,644	27,801	11,724	2,403	15,471	136,043	108,695
Long-term portion of general obligation bonds payable	-	-	3,990,000	-	-	3,990,000	-
Long-term portion of capitalized lease obligations	-	-	-	539,136	-	539,136	-
OPEB obligation payable	113,159	31,250	37,336	37,457	34,550	253,752	145,167
Net pension liability payable	1,287,508	369,499	421,137	442,940	389,013	2,910,097	1,630,615
Total noncurrent liabilities	1,479,311	428,550	4,460,197	1,021,936	439,034	7,829,028	1,954,477
Total liabilities	3,246,593	612,390	5,079,770	1,615,982	582,978	11,137,713	2,193,850
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unamortized premium on general obligation bonds	-	-	52,981	-	-	52,981	-
Deferred inflows related to pensions	67,092	19,254	21,945	23,088	20,278	151,657	84,971
Total deferred inflows of resources	67,092	19,254	74,926	23,088	20,278	204,638	84,971
<b>NET POSITION</b>							
Net position:							
Net investment in capital assets	18,478,903	5,562,843	4,941,333	7,206,974	1,492,584	37,682,637	1,269,861
Restricted for Electric Utility Improvements	2,486,819	-	-	-	-	2,486,819	-
Restricted for Wastewater Utility Improvements	-	-	-	87,500	-	87,500	-
Unrestricted	2,666,474	(545,913)	(147,787)	(68,800)	483,560	2,387,534	(634,235)
Total net position	\$ 23,632,196	\$ 5,016,930	\$ 4,793,546	\$ 7,225,674	\$ 1,976,144	\$ 42,644,490	\$ 635,626

Some amounts reported for business-type activities in the statement of net position are difference because certain internal service fund assets and liabilities are included with business-type activities

Elimination of amounts due from fiduciary fund types

Net position of business-type activities

The accompanying notes are an integral part of the financial statements.

CITY OF WINFIELD, KANSAS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION –  
PROPRIETARY FUNDS

Year ended December 31, 2016

	Business-Type Activities – Enterprise Funds					Governmental Activities Internal Service Funds
	Electric Utility	Gas Utility	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating revenues:						
Charges for services	\$ 27,385,682	\$ 3,117,050	\$ 2,328,522	\$ 1,977,756	\$ 1,671,152	\$ 36,480,162
Miscellaneous	66,356	10,100	20,645	124,042	25,781	246,924
Total operating revenues	27,452,038	3,127,150	2,349,167	2,101,798	1,696,933	36,727,086
Operating expenses:						
Services and supplies	25,314,990	2,870,083	1,536,130	1,566,787	1,744,657	33,032,647
Depreciation	1,335,853	132,562	439,960	689,170	165,876	2,763,421
Total operating expenses	26,650,843	3,002,645	1,976,090	2,255,957	1,910,533	35,796,068
Operating income (loss)	801,195	124,505	373,077	(154,159)	(213,600)	931,018
Nonoperating revenues (expense):						
Interest income	30,921	6,314	223	989	4,247	42,694
Interest expense	-	-	(113,179)	(28,449)	-	(141,628)
Gain on disposal of assets	17,835	8,040	-	-	-	25,875
Gain on joint venture	-	-	-	-	1,028	1,028
Total nonoperating revenue (expense)	48,756	14,354	(112,956)	(27,460)	5,275	(72,031)
Income (loss) before transfers	849,951	138,859	260,121	(181,619)	(208,325)	838,987
Transfers from other funds	-	-	137,500	-	254,425	391,925
Transfers to other funds	(2,690,421)	(389,883)	(163,802)	(42,500)	(120,635)	(3,407,241)
Change in net position	(1,840,470)	(251,024)	233,819	(224,119)	(74,535)	(2,156,329)
Net position, beginning of year	25,472,666	5,267,954	4,559,727	7,449,793	2,050,679	44,800,819
Net position, end of year	\$23,632,196	\$ 5,016,930	\$ 4,793,546	\$ 7,225,674	\$ 1,976,144	\$ 42,644,490
						\$ (2,156,329)
Decrease in net position per fund statements						
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expenses) of the internal service funds are reported with business-type activities						(382,600)
Expense for amounts due from fiduciary fund types						(28,320)
Change in net position of business-type activities						\$ (2,567,249)

The accompanying notes are an integral  
part of the financial statements.

## CITY OF WINFIELD, KANSAS

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
(continued on next page)

Year ended December 31, 2016

	Business-Type Activities – Enterprise Funds					Governmental Activities – Internal Service Funds
	Electric Utility	Gas Utility	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Total Enterprise Funds
Cash flows from operating activities:						
Cash received from customers	\$ 27,334,290	\$ 3,110,329	\$ 2,317,321	\$ 1,976,116	\$ 1,668,736	\$ 36,406,792
Cash payments for materials and services	(23,035,426)	(2,502,590)	(80,206)	(843,007)	(961,765)	(28,143,994)
Cash payments to employees for services and benefits	(2,155,445)	(638,712)	(781,787)	(681,918)	(785,564)	(5,043,426)
Other cash receipts	154,094	2,060	20,645	124,042	25,781	326,622
Net cash provided by (used for) operating activities	2,297,513	(28,913)	754,973	575,233	(52,812)	3,545,994
Cash flows from capital and related financing activities:						
Proceeds from capital lease obligation	-	-	-	-	37,274	37,274
Proceeds from disposal of capital assets	-	10,100	-	20,271	-	30,371
Repayments of advances to other funds	94,112	-	-	-	-	94,112
Principal paid on capital lease obligations	-	-	-	(515,951)	(4,055)	(520,006)
Principal paid on general obligation bonds	-	-	(503,550)	-	-	(503,550)
Interest paid on debt	-	-	(125,147)	(32,288)	-	(157,435)
Acquisition and construction of capital assets	(405,457)	(689,090)	(160,492)	(66,614)	(131,381)	(853,034)
Net cash provided (used) by capital and related financing activities	(311,345)	(78,990)	(789,189)	(594,582)	(98,162)	(1,872,268)
Cash flows from noncapital financing activities:						
Transfers from other funds	-	-	137,500	-	254,425	391,925
Transfers to other funds	(2,690,421)	(389,883)	(163,802)	(42,500)	(120,635)	(3,407,241)
Net cash provided (used) by noncapital financing activities	(2,690,421)	(389,883)	(26,302)	(42,500)	133,790	(3,015,316)
Cash flows from investing activities:						
Interest received	30,921	6,314	223	989	4,247	42,694
Net decrease in cash and cash equivalents	(673,332)	(491,472)	(60,295)	(60,860)	(12,937)	(1,298,896)
Cash and cash equivalents, beginning of year	5,272,266	713,422	95,487	291,999	766,765	7,139,939
Cash and cash equivalents, end of year	\$ 4,598,934	\$ 221,950	\$ 35,192	\$ 231,139	\$ 753,828	\$ 5,841,043
Cash and cash equivalents						
Restricted cash and cash equivalents included in restricted cash and investments	\$ 2,112,115	\$ 221,950	\$ 35,192	\$ 143,639	\$ 753,828	\$ 3,266,724
Cash and cash equivalents, end of year	2,486,819	-	-	87,500	-	2,574,319
	\$ 4,598,934	\$ 221,950	\$ 35,192	\$ 231,139	\$ 753,828	\$ 5,841,043

CITY OF WINFIELD, KANSAS

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
(continued from previous page)

Year ended December 31, 2016

	Business-Type Activities – Enterprise Funds					Governmental Activities Internal Service Funds
	Electric Utility	Gas Utility	Water Utility	Wastewater Utility	Nonmajor Enterprise Funds	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 801,195	\$ 124,505	\$ 373,077	\$ (154,159)	\$ (213,600)	\$ 931,018
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation expense	1,335,853	132,562	439,960	689,170	165,876	2,763,421
Changes in assets and liabilities:						
Decrease (increase) in accounts receivable	(51,392)	(6,721)	(11,201)	(1,640)	(2,417)	104
Decrease (increase) in inventories	(79,182)	(146,286)	(1,593)	8,123	(1,476)	14,205
Decrease (increase) in advances to other funds	94,112	-	-	-	-	94,112
Decrease (increase) in prepaid expenses	-	-	-	-	-	-
Decrease (increase) in deferred outflows related to pensions	(182,176)	(52,157)	(54,449)	(63,786)	(56,098)	(408,666)
Increase (decrease) in salaries and wages payable	18,114	2,603	2,751	5,827	(994)	28,301
Increase (decrease) in accounts payable	156,937	(148,488)	(7,433)	11,309	(2,673)	9,652
Increase (decrease) in deferred inflows related to pensions	(34,399)	(9,982)	(15,727)	(10,859)	(9,461)	(80,428)
Increase (decrease) in compensated absences payable	1,252	9,038	1,183	(111)	(13,721)	(2,359)
Increase (decrease) in OPEB liability	12,724	2,734	1,853	3,988	4,227	25,526
Increase (decrease) in net pension liability	224,475	63,279	26,552	87,371	77,525	479,202
Net cash provided by (used for) operating activities	\$ 2,297,513	\$ (28,913)	\$ 754,973	\$ 575,233	\$ (52,812)	\$ 3,545,994
						\$ (431,033)
						123,384
						104
						14,205
						(34,063)
						(208,784)
						(1,401)
						12,221
						(44,266)
						(20,893)
						11,251
						276,962
						\$ (302,313)

The accompanying notes are an integral part of the financial statements.

**CITY OF WINFIELD, KANSAS**  
**STATEMENT OF FIDUCIARY NET POSITION –**  
**ALL AGENCY FUNDS**

**December 31, 2016**

	<u>Agency Funds</u>
Assets:	
Cash including investments	\$229,240
Other receivables	<u>90,674</u>
	319,914
Liabilities:	
Accounts payable	<u>319,914</u>
Net position	<u>\$ —</u>

The accompanying notes are an  
integral part of the financial statements.

**CITY OF WINFIELD, KANSAS**  
**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

**Reporting entity**

The City of Winfield, Kansas (the City) was founded in 1869. Located in the northern half of Cowley County, the City has a population of 12,284 living within an area of 12 square miles. The City operates under a charter adopted February 2, 1873, as a Commission/Manager form of government. The City provides a full range of municipal utility services to its citizens including electric, gas, water, wastewater and sanitation services. Other municipal services include police and fire protection, ambulance services, 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.

As required by generally accepted accounting principles, these financial statements present the City of Winfield, Kansas (primary government) and its component units, entities for which the City is considered to be financially accountable. A primary government is financially accountable if it appoints a voting majority of an organization's governing body and (1) it is able to impose its will on that organization or (2) there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The component units discussed in the following paragraphs are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

**Discretely presented component units**

*Winfield Public Library*

The Winfield Public Library operates the public library in the City. The Winfield Public Library is accounted for using the same principles as the governmental fund types of the City. The City Commission appoints all Library Board Members and the Library Board may not purchase or lease a site or erect a building for use of the library without the approval of the City Commission. The Library Board taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. These taxes are accounted for in the Library special revenue fund of the City. The Library Board also receives funding through state assistance programs and other sources. The Library Board issues separate financial statements and can be obtained by contacting the administrative offices of the Winfield Public Library, 605 College, Winfield, Kansas 67156.



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

### *Winfield Housing Authority*

The Winfield Housing Authority (Housing Authority) operates the City's housing projects. The Winfield Housing Authority is accounted for using the same principles as the business-type funds of the City. The City created the Winfield Housing Authority as its agent in 1978 under the provisions of K.S.A. 17-2340. The City Commission appoints all board members and has the ability to impose its will on the Winfield Housing Authority. 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 ability 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 Commission 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<sup>th</sup> fiscal year end and data included in these financial statements are for the fiscal year ended June 30, 2016. The Winfield Housing Authority issues separate financial statements and can be obtained by contacting the administrative offices of the Winfield Housing Authority, 1417 Pine Terrace, Winfield, Kansas 67156.

### **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 (1) 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 Strother Field Airport and Industrial Park (Strother Field). Three commissioners from both cities comprise the Strother Field governing body. 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, P.O. Box 747, Winfield, Kansas 67156.

### *Cowley County Humane Society Interlocal Agreement*

The Cities of Winfield and Arkansas City, Kansas entered into an interlocal agreement to jointly operate and fund the animal shelter. The purpose of this agreement is to provide for the continuity for the use of the Cowley County Humane Society to temporarily house, care for and disperse unwanted or stray animals. Each City and the Society shall continue to have equal one-third ownership interest in the shelter facility. Records and reporting are maintained by the Humane Society, and both cities contribute annually to the operations of the shelter and have an ongoing financial interest in the organization. Unaudited financial statements are available from the Cowley County Humane Society, 7468 222<sup>nd</sup> Road, Winfield, Kansas 67156.

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

### *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. Additionally, the City of Winfield offers single stream recycling to Winfield residents. Records are maintained by the City of Winfield and both cities share equally in the costs and recycling revenues. No separate financial statements are prepared for this joint venture. Further financial information can be obtained from the City of Winfield, 200 E. 9<sup>th</sup> Avenue, Winfield, Kansas 67156. A summary of 2016 revenues and expenses for the recycling center are as follows:

Recycling revenues	\$ 5,064
Recycling expense	48,967
Depreciation expense	6,647

### **Related organizations**

A related organization is an organization for which a primary government is not financially accountable (because it does not impose will or have a financial benefit or burden relationship) even though the primary government appoints a voting majority of that organization's governing board.

### *William Newton Memorial Hospital*

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

### **Basis of presentation**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The *Governmental Accounting Standards Board* (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

The City's basic financial statements include both government-wide, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

### **Government-wide financial statements**

The government-wide financial statements, consisting of the statement of net position and the statement of activities, display all the nonfiduciary activities of the primary government and its component units. Generally, 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

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

rely to a significant extent on fees and charges for support. In addition, the primary government is reported discretely from the legally separate component units for which the primary government is financially accountable. The statement of net position presents the financial condition of the City and its component units at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include (1) charges paid by the recipient for goods or services or privileges provided by a given function or activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which a given function or segment is self-financing or draws from the general revenues of the City.

### **Fund financial statements**

During the year, the City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at a more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is reported in a separate column. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

### **Measurement focus and basis of accounting**

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 are 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available in the period for which levied and other revenues if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are 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 payment is due.

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

Property taxes, charges for services and interest associated with the current fiscal period are considered susceptible to accrual and so have been recognized as revenues of the current period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Agency funds are custodial in nature and report only assets and liabilities. Accordingly, agency funds do not measure results of operations however, they use the accrual basis of accounting to recognize assets and payables.

The City reports the following major governmental funds:

**General Fund** – The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

**Debt Service Fund** – The Debt Service Fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**Capital Improvements Fund** – The Capital Improvements Fund is used to account for many of the major capital improvements of the City (other than those financed in proprietary funds) and is financed primarily through one-half of the local sales tax revenues and other City transfers.

The City reports the following major proprietary funds:

**Electric Utility Fund** – The Electric Utility Fund is used to account for the operation and maintenance of the City's electric generation and distribution system. The City purchases electricity and maintains a 65 KW generation capacity. Electric service is provided to more than 7,400 meters both within the City and in surrounding areas, and sold wholesale to neighboring cities.

**Gas Utility Fund** – 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 5,200 meters.

**Water Utility Fund** – The Water Utility Fund is used to account for the operation and maintenance of the City's water treatment plant and the water distribution system. The Winfield City Lake provides adequate quality water supply to Winfield citizens providing water to approximately 5,200 meters. The City also provides access to water for five rural water districts and one neighboring city.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING (continued)**

**Wastewater Utility Fund** – The Wastewater Utility Fund is used to account 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 through the City to approximately 5,000 customers.

The City also reports the following fund types:

**Special Revenue Funds** – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**Capital Project Funds** – The capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds.

**Permanent Funds** – Permanent Funds are used to report an endowment restricted to the perpetual care of the municipal cemeteries.

**Internal Service Funds** – The 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** – The 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 agency funds maintained by the City include the Payroll Clearing Fund to account for moneys held on behalf of City employee's payroll for related payroll taxes, retirement contributions, insurance and other authorized withholdings by City employees; the Sales Tax Fund to collect and pass through sales taxes; and the Flex Medical Fund to collect and pass through flexible benefit contributions.

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 for franchise fees and other charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/due to other funds and advanced to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column. Similarly, balances between funds included in business-type activities

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

are eliminated so that only the net amount is included in the business-type activities column. The City does not have a formal policy on removing internal activity on the government-wide financial statements.

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. Internally dedicated resources are reported as general revenues rather than as program revenues. In addition, 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.

Property taxes are not susceptible to accrual. Sales taxes collected and held by the State at year-end on behalf of the City are recognized as revenue. In addition, gaming facility revenues collected and held by the State at year-end on behalf of the City are recognized as revenue. Recognized state shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes and consequently, for revenue recognition purposes, amounts collected and held by the State on behalf of the City at year-end are not due and receivable until the ensuing year.

Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

Licenses, fees, fines, forfeitures and other revenue are generally not susceptible to accrual and are recorded when received in cash.

### **Cash and short-term investments**

Cash and short-term investments include amounts in demand deposit, money market accounts and certificates of deposit. Investments are carried at fair value. Deposits are reported at their cost, which approximates fair value. For purposes of the statement of cash flows, deposits and investments with a maturity date of three months or less when purchased to be cash equivalents. Interest income is credited to the investing fund based on their average monthly balances.

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

### **Property taxes and other receivables**

In accordance with governing state statutes, property taxes levied during the current year are a revenue source 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 20th during the year levied with the balance to be paid on or before May 10th 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 unearned revenue on the balance sheets 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. State statutes specify distribution dates for such shared taxes. For revenue recognition purposes, amounts collected and held by the State on behalf of the City at year-end are not due and receivable until the ensuing year.

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.

### **Special assessments receivable**

As required by State statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds that are secured by the full faith and credit of the City and are retired from the City's debt service fund. Further, State statutes permit levying additional general ad valorem property taxes in the City's debt service fund to finance delinquent special assessments receivable. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate construction project. Special assessments received after the issuance of bonds are recorded as revenue in the debt service fund. Special assessment taxes are levied over a ten or fifteen-year period and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. 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 and accrued as revenues in the statement of net assets. Since they are not considered available spendable resources for the funds statement, the special assessment receivables are reported as unearned revenue in the funds statement.

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

### Revenue recognition for proprietary funds

Revenue is recorded as billed to customers on a cycle basis. Residential and commercial customers are billed monthly. The uncollected portion of billed services through December 31 and estimates of unbilled service at December 31 are reflected as accounts receivable net of amounts estimated to be uncollectible. All users, including other City departments are charged for services provided by the respective proprietary funds.

### Inventories and prepaid expenditures

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. Prepaid expenses are valued at cost.

### Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g.), roads, bridges, curbs or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial individual cost of \$5,000 or more. Capital assets are valued at historical cost, or estimated historical cost (if actual historical cost is not available). The historical cost, or estimates of historical cost, for the City's infrastructure assets include only those assets acquired subsequent to January 1, 1980. Donated capital assets are valued at their estimated fair value on the date donated. 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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. Additionally, in situations involving the acquisition of certain assets financed with the proceeds of tax-exempt borrowing, any interest earned on related interest-bearing investments from such proceeds are offset against the related interest costs in determining either capitalization rates or limitations on the amount of interest costs to be capitalized. During 2016, the City had no net interest costs subject to capitalization.

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

<u>Asset</u>	<u>Life</u>
Buildings and improvements	40-50 years
Equipment	5-15 years
Vehicles	8 years



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

<u>Asset</u>	<u>Life</u>
Meters	20-30 years
Asphalt and concrete streets	40-50 years
Sidewalks and curbs and gutters	40-50 years
Park/recreational infrastructure	20-30 years
Electric generation plants	30-35 years
Transformers	15-20 years
Electric poles	25 years
Conductors/related equipment	35 years
Gas lines/infrastructure	40-75 years
Water treatment plant	30-50 years
Water lines/infrastructure	30-65 years
Sewer lines/infrastructure	50-75 years
Lift stations	25 years

Amortization of capital assets acquired under lease purchase agreements is included in depreciation expense. Capital assets not being depreciated include land and construction work in process.

### **Compensated absences**

The City provides compensated absence benefits for the following:

#### *Vacation*

All permanent full-time employees of the City are eligible for vacation benefits. Employees with less than ten years employment service with 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 one-half days per month, with a maximum accumulation of twenty-four days. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements.

#### *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 for accrued sick leave, unless an employee is entitled to the payout due to retirement.

#### *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 twenty-five percent of

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

each eight hours sick leave that would have been 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.

### *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 their regular rate of pay. This bonus is paid out to those employees annually.

### **Accrued liabilities and long-term debt**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, general obligation bonds and capital lease obligations that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

For governmental funds, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount, if significant. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Deferred amounts on bond refundings are being amortized on a straight-line method over the life of the related bonds in the enterprise funds and for the government-wide financial statements.

Long-term liabilities for certain general obligation bonds payable and capital lease obligations payable are recorded as liabilities in the enterprise funds. Principal payments are deducted from the liability as made.

### **Pension plans**

Substantially all full-time employees, except for police, fire and emergency medical services employees, are members of the State of Kansas Public Employees' Retirement System, which is a cost sharing multi-employer statewide-defined benefit pension plan. Police, fire and emergency medical services employees are members of the State of Kansas Police and Firemen's Retirement System, which is also a cost sharing multi-employer statewide pension plan. The City's policy is to fund all pension costs accrued; such costs to be funded are determined annually by the system's actuary.

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

### Concentration of credit risk

The City routinely grants credit to utility customers, in accordance with applicable utility rate ordinances, all of which are located within the environs of the City.

### 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, which include general risk management, workers' compensation, health insurance and short-term disability insurance. The City records liabilities for known claims and estimated liabilities for claims incurred but not reported at year-end. These claims are reflected under accounts payable in the internal service funds.

#### *Risk Management Reserve*

The City established the Risk Management Reserve Fund in 1987 in accordance with provisions of K.S.A. 12-2615. This fund provides for payment of insurance premiums, deductibles, excess liability losses, uninsured losses and insurable losses not otherwise covered. Insurance deductibles vary by type of property insurance coverage. Funding, when determined necessary, for the Risk Management Reserve Fund, is provided any annual contributions from other City functions that have an insurable risk based on actuarial computations provided by an insurance consultant to the City. The City purchases commercial insurance coverage for all substantial areas of risk, including property loss, auto liability, boiler and machinery, and general and public officials' liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The following is a summary in changes of liability activity under the plan for the last three years:

	Beginning of Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	End of Year <u>Liability</u>
2014	\$ -	\$ 5,936	\$ 5,936	\$ -
2015	-	14,555	14,555	-
2016	-	23,122	23,122	-

During 2016, the City charged \$405,606 of unfunded Kansas Police and Firemen's Retirement System contributions to the Risk Management Reserve Fund. This liability was the result of converting certain emergency medical service personnel from the Kansas Public Employees Retirement System to the Kansas Police and Firemen's Retirement

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

System. At December 31, 2016, Risk Management Reserve Fund cash and short-term investments of \$412,477 were held for purposes of funding the City's future claims liabilities.

### *Workers' Compensation Reserve*

Prior to 2011, the City maintained a partially self-funded workers' compensation program to cover substantially all full-time and part-time employees. In 2011, the City joined the Kansas Eastern Region Insurance Trust (KERIT), a self-funded insurance risk pool, and claims for 2011 and forward are handled by KERIT. KERIT is comprised of eighteen government entities within the State of Kansas. It is organized under the pooling laws of the State of Kansas, is a risk sharing pool which self-insures, up to certain limits, and reinsures additional excess amounts up to certain limits, workers' compensation and other related expenses. The City pays annual premiums to KERIT based on historical experience and legal requirements mandated by the State of Kansas and participates in management decisions as a trustee. Members of the trust may be assessed additional premiums to cover losses up to the attachment point of excess coverage, and for losses in excess of the aggregate loss limit of \$5,000,000 in a year. The City has not been involved in any settlements where the amounts exceeded insurance coverage in the past three years.

### *Health Insurance Reserve*

The City created the Health Insurance Reserve Fund in 1993 to accumulate monies to eventually fund a partially self-insured health insurance program. Resources 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. The employee health insurance program is a fully insured program with health insurance offered to substantially all full-time employees of the City. At December 31, 2016, the Health Insurance Reserve Fund had a net position of \$187,379 available for future health insurance premiums. The funds are being retained to stabilize projected premium increases and to provide a reserve if the City should choose to self-insure in the future.

### *Short-Term Disability Reserve*

The Short-Term Disability Reserve Fund was created in 1997 to provide financial assistance to regular employees following sixty days of continuous disability. The benefit amounts to fifty percent 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, 2016, the City had a net position in the Short-Term Disability Reserve Fund of \$209,211 available for short-term disability benefits to employees.

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

### **Deferred Inflows of Resources/Deferred Outflows of Resources**

A deferred outflow of resources is the consumption of net position that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position applicable to a future reporting period. The City identified certain financial balances that meet the definition of a deferred outflow of resources or a deferred inflow of resources. Deferred outflows of resources are deferred outflows related to pensions. Deferred inflows of resources include unamortized gains on bond refundings, property taxes receivable, special assessments receivable, long-term intergovernmental receivables, premiums on the issuance of general obligation bonds and deferred inflows related to pensions.

### **Equity Classifications**

In the government-wide financial statements, equity is reflected as net position and classified into three components:

- Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.
- Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

Governmental fund balance classifications are based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be expended. In the governmental funds financial statements, equity is classified into potentially five components:

- Nonspendable – Assets that cannot be spent because they are either (1) not in spendable form; or (2) legally or contractually required to be maintained in tact.
- Restricted – Assets with externally imposed constraints such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws or regulations.

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

- Committed – The committed portion of fund balance can only be used for specific purposes and imposed by formal action of the government's highest level of decision making authority. In the case of the City it is the City Commission and the formal action would be an ordinance to modify or rescind the commitment.
- Assigned – The assigned portion of fund balance is comprised of amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Commission or (2) a body or official to whom the City Commission has delegated the authority to. The City Commission has delegated authority to the City Manager or Department Heads to assign amounts to be used for specific purposes. The portion of fund balance that is appropriated by the City Commission for next year's budget that is not already restricted or committed is considered assigned. Encumbrances, which can be approved by designated senior staff, are included in the assigned fund balance.
- Unassigned – All amounts not included in the other fund balance classifications. The General Fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

In circumstances when expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### **Budgetary principles**

The City is required by state statute to legally adopt annual operating budgets for the general fund, special revenue funds (unless exempted by specific statute), debt service fund, enterprise funds and internal service funds (unless exempted by specific statute). The funds exempted from a legally adopted budget include the Ambulance and Fire Equipment Reserve, Equipment Reserve, Grants and Contributions, Barr Police Building, Capital Improvements, Risk Management Reserve, Workers' Compensation Reserve, Health Insurance Reserve and Short-Term Disability Reserve Funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.

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

3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During 2016, the governing body amended the following funds:

<u>Fund</u>	<u>Original budget</u>	<u>Amended budget</u>
General	\$ 11,188,226	\$ 11,251,516
Streets – Sales Tax	210,000	715,483
Wastewater Utility	2,143,344	2,151,344
Refuse	1,376,032	1,400,032
Management Services	3,094,250	3,307,891

Kansas statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Management has the authority to revise line items within a department however, changes to total appropriations at the department level must be approved by the City Commission.

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the inclusion of accounts payable and the encumbrance method of accounting. For budgetary purposes, encumbrances of the budgeted governmental fund types, representing purchase orders, contracts and other commitments, are reported as a charge to the current year budget. All unencumbered appropriations lapse at the end of the year, except for capital project funds, which are carried forward until such time as the project is completed or terminated. In addition, revenues are not recognized as revenues until their date of receipt. Also, interfund receivables and payable transactions are recognized as revenues and expenditures in the respective funds for budgetary purposes. Accordingly, actual data presented in the budgetary comparison statements can differ from the expenditure data presented in the financial statements prepared in accordance with generally accepted accounting principles. For budget purposes, fund balances are determined by deducting accounts payable and encumbrances from cash.

Controls over spending in funds that are not subject to legal budgets are maintained by other statutes or by the use of internal spending limits established by management.

## 2. DEPOSITS AND INVESTMENTS

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

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City's formal investment policies set forth the prime objectives, in order of priority, as safety of principal, liquidity and yield. The standard of care to be used by investment officials shall be the "prudent man rule".

### Concentration of credit risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's allocation of cash and investments as of December 31, 2016, is as follows:

RCB Bank	57%
Citizens Bank	40%
Union State Bank	3%

### Custodial credit risk – deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy follows applicable State Statutes and requires deposits to be 100% secured by collateral (pledged securities) valued at market, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. State Statutes define the allowable pledged securities.

At year-end, the carrying amount of the City's deposits was \$12,623,943, with the bank balances of such accounts being \$12,843,796. Of the bank balances, \$753,095 was covered by federal depository insurance and the remaining balance of \$12,090,701 was covered by collateral held by the City's custodial banks in joint custody in the name of the City and its banks. The fair value of those pledged securities held by the City's custodial investment agencies was \$17,494,498 at December 31, 2016.

The remaining carrying amount of the City's cash and investments at December 31, 2016 consisted of cash on hand of \$3,275.



## 2. DEPOSITS AND INVESTMENTS (continued)

A reconciliation of cash and investments as reported in the financial statements at December 31, 2016 is as follows:

Cash on hand	\$ 3,275
Carrying amount of deposits – City	12,623,943
Carrying amount of deposits – component unit	<u>663,305</u>
Total	<u>\$ 13,290,523</u>
Amounts per statement of net position:	
Cash including investments	\$ 9,823,659
Restricted cash and investments	2,574,319
Component unit cash and investments	649,554
Component unit restricted cash and investments	13,751
Cash held in fiduciary funds	<u>229,240</u>
Total	<u>\$ 13,290,523</u>

## 3. RECEIVABLES

### *Utility Receivables*

A summary of the City's utility receivables at December 31, 2016 is as follows:

	Total receivables	Less provision for uncollectible accounts	Net receivables
Electric Utility	\$ 2,584,649	\$ 388,679	\$ 2,195,970
Gas Utility	682,257	107,502	574,755
Water Utility	281,002	40,760	240,242
Wastewater Utility	261,484	36,815	224,669
Refuse	162,585	25,917	136,668
Quail Ridge Golf Course	300	–	300
Stormwater Drainage	<u>20,407</u>	<u>3,045</u>	<u>17,362</u>
Totals	<u>\$ 3,992,684</u>	<u>\$ 602,718</u>	<u>\$ 3,389,966</u>

The City adjusts its reserves for uncollectible accounts based on a seven-year average. Based on this computation, the provision for uncollectible accounts was increased by \$11,901, \$2,132, \$1,045, \$891, \$606 and \$68 for the Electric Utility, Gas Utility, Water Utility, Wastewater Utility, Refuse and Stormwater Drainage Funds, respectively.

### 3. RECEIVABLES (continued)

#### *Other Receivables*

Miscellaneous accounts receivable are recorded at the full value of services provided. A provision for uncollectible accounts is established for all uncollected balances over one-year old. For ambulance service billings, accounts are routinely settled for amounts less than the full rate as a result of negotiated contracts with third-party payors (insurance companies and Medicare). The provision for contractual adjustments is set up to reflect anticipated reductions in those settlements. The City has estimated the provision for contractual adjustments based on prior years' experience history. The City contracts with a third-party provider for all medical billing services including ambulance billings and collections.

The following is a summary of accounts receivable in the governmental fund types:

	<u>Accounts receivable</u>	<u>Less provision for uncollectible accounts</u>	<u>Less provision for contractual adjustments</u>	<u>Net accounts receivable</u>
Major Funds:				
General:				
Miscellaneous	\$ 32,975	\$ 14,599	\$ —	\$ 18,376
Ambulance services	<u>640,411</u>	<u>56,521</u>	<u>280,968</u>	<u>302,921</u>
Total General Fund	<u>673,386</u>	<u>71,120</u>	<u>280,968</u>	<u>321,298</u>
Nonmajor Funds:				
Special Parks and Recreation	2,951	—	—	2,951
Convention and Tourism	<u>63</u>	<u>—</u>	<u>—</u>	<u>63</u>
Total nonmajor Funds	<u>3,014</u>	<u>—</u>	<u>—</u>	<u>3,014</u>
Total miscell- aneous receivables	<u>\$ 676,400</u>	<u>\$ 71,120</u>	<u>\$ 280,968</u>	<u>\$ 324,312</u>

#### *Long-Term Receivables*

The City has entered into several interlocal agreements with other local governmental entities which are 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

### 3. RECEIVABLES (continued)

over various time periods. These receivables are included in governmental activities for the statement of net position and, because they are not considered to be available to liquidate liabilities of the current period, they are considered unearned and reflected as a deferred inflow of resources in the Debt Service Fund in the governmental funds balance sheet. A summary of these long-term receivables is as follows:

<u>Year</u>	<u>South- Western College</u>	<u>Winfield USD No. 465</u>	<u>Winfield Recreation Commission</u>	<u>Total</u>
2017	\$ 10,000	\$ 16,377	\$ 102,530	\$ 128,907
2018	—	6,378	50,985	57,363
2019	—	—	50,985	50,985
2020	—	—	50,985	50,985
2021	—	—	50,985	50,985
2022	—	—	50,985	50,985
2023	—	—	50,985	50,985
2024	—	—	11,487	11,487
	<u>\$ 10,000</u>	<u>\$ 22,755</u>	<u>\$ 419,927</u>	<u>\$ 452,682</u>

Southwestern College is a non-profit private liberal arts four-year institution located in Winfield, Kansas. Winfield USD No. 465 is the local school district and the Winfield Recreation Commission is a component unit of the local school district.

#### *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 agreement provides that no payments are due until maturity of the loan. The loan funds consisted 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 period, there is a corresponding liability recorded as a deferred inflow of resources to the General Fund.

### 4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

#### 4. CHANGES IN CAPITAL ASSETS (continued)

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 1,900,213	\$ —	\$ —	\$ 1,900,213
Construction work in progress	<u>716,679</u>	<u>904,309</u>	<u>—</u>	<u>1,620,988</u>
	<u>2,616,892</u>	<u>904,309</u>	<u>—</u>	<u>3,521,201</u>
Capital assets being depreciated:				
Buildings	8,658,129	—	15,212	8,642,917
Improvements other than buildings	27,503,367	—	59,854	27,443,513
Machinery and equipment	<u>8,544,553</u>	<u>761,175</u>	<u>228,177</u>	<u>9,077,551</u>
Total capital assets being depreciated	<u>44,706,049</u>	<u>761,175</u>	<u>303,243</u>	<u>45,163,981</u>
Less accumulated depreciation for:				
Buildings	3,539,249	69,249	—	3,608,498
Improvements other than buildings	5,778,835	73,993	—	5,852,828
Machinery and equipment	<u>8,090,229</u>	<u>946,085</u>	<u>171,694</u>	<u>8,864,620</u>
Total accumu- lated depreciation	<u>17,408,313</u>	<u>1,089,327</u>	<u>171,694</u>	<u>18,325,946</u>
Total capital assets being deprec- iated, net	<u>27,297,736</u>	<u>(328,152)</u>	<u>131,549</u>	<u>26,838,035</u>

#### 4. CHANGES IN CAPITAL ASSETS (continued)

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
Governmental activities capital assets, net	<u>\$ 29,914,628</u>	<u>\$ 576,157</u>	<u>\$ 131,549</u>	<u>\$ 30,359,236</u>
<u>Business-Type Activities:</u>				
Capital assets not being depreciated:				
Land	<u>\$ 830,777</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 830,777</u>
Capital assets being depreciated:				
Buildings	13,592,579	—	—	13,592,579
Improvements other than buildings	63,188,819	656,608	784,367	63,061,060
Machinery and equipment	<u>30,671,743</u>	<u>245,484</u>	<u>451,784</u>	<u>30,465,443</u>
Total capital assets being depreciated	<u>107,453,141</u>	<u>902,092</u>	<u>1,236,151</u>	<u>107,119,082</u>
Less accumulated depreciation for:				
Buildings	9,291,964	438,876	—	9,730,840
Improvements other than buildings	30,751,229	1,461,565	687,669	31,525,125
Machinery and equipment	<u>22,608,610</u>	<u>986,364</u>	<u>321,060</u>	<u>23,273,914</u>
Total accumu- lated depreciation	<u>62,651,803</u>	<u>2,886,805</u>	<u>1,008,729</u>	<u>64,529,879</u>
Total capital assets being depreciated, net	<u>44,801,338</u>	<u>(1,984,713)</u>	<u>227,422</u>	<u>42,589,203</u>

#### 4. CHANGES IN CAPITAL ASSETS (continued)

	Balance January 1, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2016</u>
Business-type activities capital assets, net	<u>\$ 45,632,115</u>	<u>\$(1,984,713)</u>	<u>\$ 227,422</u>	<u>\$ 43,419,980</u>

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

Governmental activities:	
General government	\$ 92,732
Public safety	213,795
Public works (including depreciation of infrastructure assets)	414,898
Culture and recreation	282,677
Economic development	73,993
Cemetery	<u>11,232</u>

Total depreciation expense – governmental activities \$ 1,089,327

Business-type activities:	
Enterprise Funds:	
Electric Utility	\$ 1,335,853
Gas Utility	132,562
Water Utility	439,960
Wastewater Utility	689,170
Refuse	99,293
Quail Ridge Golf Course	66,583
Internal Service Funds:	
Management Services	66,968
Operations Center	<u>56,416</u>

Total depreciation expense – business-type activities \$ 2,886,805

#### 5. LONG-TERM DEBT

The following is a summary of changes in long-term debt transactions of the City for the year ended December 31, 2016:

## 5. LONG-TERM DEBT (continued)

	Outstanding January 1, 2016	Additions	Deletions	Outstanding December 31, 2016	Due Within One Year
<b><u>Governmental activities</u></b>					
General obligation bonds	\$ 12,128,258	\$ –	\$1,256,451	\$ 10,871,807	\$1,221,807
Capital leases	118,504	41,558	123,604	36,458	36,458
Interlocal agreement debt	64,000	–	32,000	32,000	32,000
Compensated absences	235,917	252,610	235,336	253,191	225,340
Net premium on issuance of general obligation bonds	569,182	–	80,087	489,095	36,458
Net other postemploy- ment benefits obligation	260,809	41,932	21,354	281,387	–
Net pension liability	<u>5,779,779</u>	<u>2,356,543</u>	<u>1,201,908</u>	<u>6,934,414</u>	<u>–</u>
Total long-term liabilities – Governmental activities	<u>\$ 19,156,449</u>	<u>\$ 2,692,643</u>	<u>\$ 2,950,740</u>	<u>\$ 18,898,352</u>	<u>\$1,552,063</u>
<b><u>Business-type activities</u></b>					
General obligation bonds	\$ 5,006,743	\$ –	\$ 503,550	\$ 4,503,193	\$ 513,193
Capital leases	1,582,556	37,274	520,006	1,099,824	560,688
Net premium on issuance of general obligation bonds	59,621	–	6,640	52,981	6,640
Compensated absences	534,558	323,485	346,737	511,306	266,568
Net other postemploy- ment benefits obligation	362,142	58,224	21,447	398,919	–
Net pension liability	<u>3,784,547</u>	<u>1,275,634</u>	<u>519,469</u>	<u>4,540,712</u>	<u>–</u>
Total long-term liabilities – Business-Type activities	<u>\$ 11,330,167</u>	<u>\$ 1,694,617</u>	<u>\$ 1,917,849</u>	<u>\$ 11,106,935</u>	<u>\$1,347,089</u>

### **General obligation bonds**

General obligation bonds payable are serial bonds to be retired through calendar year 2030. At December 31, 2016 the bonds consist of the following:

	Interest rates	Bonds outstanding
General Obligation Refunding and Improvement Bonds, Series 2010-A	2.00 – 3.10	\$ 4,420,000
General Obligation Refunding Bonds, Series 2012-A	0.80 – 1.60	345,000

## 5. LONG-TERM DEBT (continued)

	<u>Interest rates</u>	<u>Bonds outstanding</u>
General Obligation Refunding and Improvement Bonds, Series 2015-A	3.00 – 4.00	\$ 9,920,000
Taxable General Obligation Improvement Bonds, Series B 2015	3.00 – 3.00	<u>690,000</u>
Total general obligation bonds outstanding		15,375,000
Less debt service from enterprise funds		<u>(4,503,193)</u>
Total general obligation bonds payable from debt service fund		<u>\$ 10,871,807</u>

Remaining debt service requirements for general obligation bonds will be paid from the debt service fund with future property tax revenues and special assessment taxes. Annual debt service requirements to maturity for general obligation bonds to be retired from the debt service fund are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,221,807	\$ 328,990	\$ 1,550,797
2018	1,165,000	298,225	1,463,225
2019	1,080,000	266,825	1,346,825
2020	945,000	235,250	1,180,250
2021	875,000	208,875	1,083,875
2022	775,000	182,813	957,813
2023	805,000	159,750	964,750
2024	840,000	135,600	975,600
2025	615,000	110,400	725,400
2026	500,000	91,950	591,950
2027	485,000	76,950	561,950
2028	505,000	57,550	562,550
2029	520,000	42,400	562,400
2030	<u>540,000</u>	<u>21,600</u>	<u>561,600</u>
	<u>\$ 10,871,807</u>	<u>\$ 2,217,178</u>	<u>\$ 13,088,985</u>

### General obligation bonds payable from enterprise funds

Remaining debt service requirements for general obligation bonds to be paid from the Water Utility Fund is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 513,193	\$ 116,402	\$ 629,595



## 5. LONG-TERM DEBT (continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 465,000	\$ 103,785	\$ 568,785
2019	535,000	91,973	626,973
2020	550,000	78,198	628,198
2021	565,000	63,708	628,708
2022	575,000	48,261	623,261
2023	420,000	34,055	454,055
2024	430,000	21,305	451,305
2025	<u>450,000</u>	<u>7,990</u>	<u>457,990</u>
	<u>\$ 4,503,193</u>	<u>\$ 565,677</u>	<u>\$ 5,068,870</u>

### Capitalized lease obligations

During 2011 the City Commission entered into a lease agreement for the purchase of a new aerial fire truck. The lease agreement provides for annual payments, including interest, in the amount of \$120,889 through March 2016. The lease was fully retired during 2016.

During 2015 the City Commission entered into a lease agreement for financing wastewater treatment plant improvements and related equipment. The lease agreement provides for semi-annual payments, including interest, in the amount of \$274,119 through September 2018.

During 2016 the City Commission entered into a lease agreement for the financing of a Skid-Steer Loader for the Public Works Department. The lease agreement provided for a down payment amount of \$5,100 and a lump-sum payment of \$39,986 in September 2017, including interest.

In addition, during 2016 the City Commission entered into a lease agreement for the financing of a Skid-Steer Loader for the Refuse Department. The lease agreement provided for a down payment amount of \$4,055 and a lump-sum payment of \$30,421 in August 2017, including interest.

These leases qualify as capital leases for accounting purposes and, accordingly, have been recorded at the present value of the net minimum lease payments at the date of the lease inception. The annual requirements to amortize the capital lease obligations outstanding at December 31, 2016, including interest payments, is as follows:

## 5. LONG-TERM DEBT (continued)

Year Ending December 31,	Governmental Funds	Business-Type Funds		Total
	Skid- Steer Loader	Wastewater Treatment Plant	Skid- Steer Loader	
2017	\$36,986	\$ 548,238	\$33,700	\$ 618,924
2018	<u>—</u>	<u>548,238</u>	<u>—</u>	<u>548,238</u>
Total minimum lease Payments	36,986	1,096,476	33,700	1,167,162
Less amounts representing interest	<u>(528)</u>	<u>(29,871)</u>	<u>(481)</u>	<u>(30,880)</u>
Present value of net minimum lease payments	<u>\$36,458</u>	<u>\$1,066,605</u>	<u>\$33,219</u>	<u>\$ 1,136,282</u>

The Skid-Steer lease payments are being financed from the City's Special Street and Highway Fund and the Refuse Fund. The Wastewater treatment plant lease payments are being financed from the Wastewater Utility Fund. The cost and accumulated amortization of the leased equipment is as follows:

	Governmental Activities	Business-Type Activities
Cost	\$ 36,458	\$ 3,338,219
Accumulated depreciation	3,646	1,639,827

### Other long-term debt

The City entered into an interlocal agreement with the City of Arkansas City, Kansas related to construction of a countywide animal shelter. The agreement provides for the City of Winfield to make annual payment to the City of Arkansas City for an agreed-upon share of the costs. The final payment under the contractual agreement is scheduled for 2017 in the amount of \$32,000. The payments under the agreement have been made from the General Fund.

### Compensated absences

The governmental funds portion of outstanding compensated absence liabilities is principally liquidated from resources of the General Fund.

## 5. LONG-TERM DEBT (continued)

### Other postemployment benefits

The governmental funds portion of the other postemployment benefit obligation (OPEB) is principally liquidated from the City's General Fund.

### Net pension liability

The governmental funds portion of the net pension liability is principally liquidated from the General Fund.

### Conduit debt

The City has issued limited obligation bonds for the purpose of financing capital activities of unrelated third parties. Although conduit debt obligations bear the name of the City, they are payable solely from resources provided by leases or loans with the third parties on whose behalf they were issued. The bonds do not constitute an indebtedness or pledge of the faith or credit of the City of Winfield, and accordingly, are not included as liabilities in the accompanying financial statements. There are eight industrial revenue bond series outstanding at December 31, 2016. During 2016, there were \$1,500,000 of new issues and \$874,798 of debt retired. The aggregate outstanding balance of Industrial Revenue Bonds was \$49,280,632 at December 31, 2016.

## 6. TEMPORARY NOTES

Kansas statutes permit the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds or paid through other resources available to the City. Prior to the issuance of the temporary notes, the governing body 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. During 2016, the City issued \$2,330,000 of temporary notes. At December 31, 2016 the City had the following outstanding temporary notes:

	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Maturity Date</u>
Capital Project Funds:			
General Obligation Temporary Notes			
Series 2016-1 for:			
2015 EMS Ambulance Project	1.00%	\$ 101,081	8-1-18
Baden Community Center			
Improvements	1.00%	101,081	8-1-18
2016 Technology Upgrades	1.00%	101,081	8-1-18

## 6. TEMPORARY NOTES (continued)

	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Maturity Date</u>
Public Safety Needs Study	1.00%	\$ 101,081	8-1-18
2016 KLINK Project	1.00%	126,351	8-1-18
12 <sup>th</sup> Avenue Street Project	1.00%	<u>404,325</u>	8-1-18
		<u>935,000</u>	
General Obligation Temporary Notes			
Series 2016-2 – Hospital Improvements Project	2.00%	<u>870,000</u>	1-20-20
General Obligation Temporary Notes			
Series 2016-3 for:			
14 <sup>th</sup> Avenue Bridge Project	1.45%	203,883	12-1-19
2017 KLINK Project	1.45%	<u>321,117</u>	12-1-19
		<u>525,000</u>	
Total temporary notes		<u>\$ 2,330,000</u>	

During 2016, the temporary note activity for the various capital improvement projects were as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
\$ –	\$ 2,330,000	\$ –	\$ 2,330,000

## 7. ELECTRIC AND WASTEWATER DEPRECIATION RESERVES

Applicable state statutes permit the governing body to legally restrict a portion of operating revenue to be used for future acquisition of equipment and utility system improvements. Net position in the Electric Utility Fund in the amount of \$2,486,819 and in the Wastewater Utility Fund in the amount of \$87,500 has been reserved for the portion of assets legally restricted for future equipment acquisitions and facility improvements.

## 8. CAPITAL PROJECT FUND AUTHORIZATIONS

At December 31, 2016, individual project authorizations compared with project expenditures from inception which are reported within the Capital Projects Fund are as follows:

## 8. CAPITAL PROJECT FUND AUTHORIZATIONS (continued)

<u>Project</u>	<u>Project authorizations</u>	<u>Expenditures project inception to December 31, 2016</u>
Geometric KLINK Main Street	\$ 735,000	\$ 729,571
Library Parking Lot	150,000	83,393
Country Club Villa	177,000	53,813
2014 Capital Equipment	100,000	91,539
2016 KLINK	256,506	256,506
Hospital Improvements	870,000	7,617
Vaughn Tennis Center Project	1,026,108	991,502
Public Safety Needs Study	101,081	14,327
2015 EMS Ambulance	250,704	201,785
12 <sup>th</sup> Avenue Project	404,325	61,407
14 <sup>th</sup> Avenue Bridge Project	203,883	61,164
Baden Center Building Improvements	101,081	3,311
2016 Technology Upgrades	101,081	84,758
2017 KLINK	321,117	2,696

## 9. PENSION PLAN

### Plan description

The City participates in the Kansas Public Employees Retirement System, a cost sharing multiple employer defined benefit pension plan. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74-4901 *et. seq.*:

Public employees, which includes:

- State/School employees
- Local employees

Police and Firemen

Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in the Local employees group and the Police and Firemen group.

## **9. PENSION PLAN (continued)**

KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS, 611 S. Kansas Avenue, Suite 100, Topeka, Kansas 66603-3803, by calling 1-888-275-5737 or via KPERS website at [www.kpers.org](http://www.kpers.org).

### **Benefits provided**

KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. Members with ten or more years of credited service may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of credited service equal 85 "points" (Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 55 with 25 years, or any age with 36 years of service.)

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas. For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

## **9. PENSION PLAN (continued)**

### **Contributions**

Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas State law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary.

State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation for each of the three statewide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers, which includes the state and the school employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.0% of total payroll for the fiscal year ended June 30, 2016.

The actuarially determined employer contribution rates and the statutory contribution rates for KPERS employees (not including the 1.00% contribution rate for the Death and Disability Program) is 9.18% for KPERS and 20.42% for KP&F. Contributions to the Pension Plan from the City were \$637,408 for KPERS and \$1,083,969 for KP&F for the year ended December 31, 2016. Included in the KP&F contributions were \$405,606 of catch-up contributions related to certain emergency services participants who were switched from the KPERS plan to the KP&F plan during 2016.

The 2015 Legislature passed and the Governor approved Senate Bill 228, which authorized the issuance of \$1 billion in pension obligation bonds to improve the funding of the State/School Group. The bonds were issued in August 2015 and deposited in the trust fund on August 20, 2015. This legislation reset the state/school 2016 statutory rate to 10.91% from the actuarial employer rates of 11.44% for state employees and 16.00% for school employees.

### **Employer Allocations**

Although KPERS administers one cost sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined

## 9. PENSION PLAN (continued)

contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions and fiduciary net position applicable to each group. The allocation percentages presented for each group as of June 30, 2016 are based on the ratio of each employer's contributions to total employer and nonemployer contributions of the group for the fiscal year ended June 30, 2016. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2016, the City's proportion of KPERS was .384854%, which was a decrease of .001708% from its proportion measured at June 30, 2015. At June 30, 2016, the City's proportion for KP&F was .594480%, which was a decrease of .023684% from its proportion measured as of June 30, 2015.

### **Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

At December 31, 2016, the City reported a liability of \$11,475,126 for its proportionate share of the net pension liability. The net pension liability for June 30, 2016 measurement date was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016.

For the year ended December 31, 2016, the City recognized pension expense of \$505,788 for KPERS and \$1,057,879 for KP&F. At December 31, 2016 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City contributions subsequent to the measurement date	\$ 645,647	\$ —
Differences between expected and actual experience	325,964	164,439
Net difference between projected and actual earnings on pension plan investments	1,426,233	—
Changes in assumptions	—	89,733



## 9. PENSION PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 243,470	\$ 343,806
Total	\$ 2,641,314	\$ 597,978

The City reported \$645,647 as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2017	\$ 169,762
2018	169,762
2019	608,340
2020	434,225
2021	15,600
Thereafter	-

### Actuarial assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	- 3.0 percent
Wage inflation	- 4.0 percent
Salary increases	- 4.00 percent to 16.00 percent, including inflation
Investment rate of return	- 8.00 percent, net of investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted for the three-year period ending December 31, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation

## 9. PENSION PLAN (continued)

percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major assets class included in the pension plan's target asset allocations as of June 30, 2016 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2016</u>	
	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	47.00%	6.80%
Fixed Income	13.00	1.25
Yield Driven	8.00	6.55
Real Return	11.00	1.71
Real Estate	11.00	5.05
Alternatives	8.00	9.85
Short-Term Investments	<u>2.00</u>	(0.25)
Total	<u>100.00%</u>	

### Discount rate

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police & Firemen and Judges. Future employer contribution rates were also modeled for Police & Firemen and Judges, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the net pension liability to changes in the discount rate

The following table presents the net pension liability of the Pension Plan as of June 30, 2016 calculated using the discount rate of 8.00%, as well as what the Pension Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

## 9. PENSION PLAN (continued)

	June 30, 2016		
	1.00% Decrease (7.00%)	Current Discount Rate (8.00%)	1.00% Increase (9.00%)
Net pension liability	\$ 15,734,765	\$ 12,290,433	\$ 7,869,507

### Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

## 10. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

### Plan Description

The City sponsors a single-employer defined benefit healthcare plan that provides healthcare benefits, including medical and dental, to retirees. Retiree health coverage is provided for under K.S.A. 12-5040. Employees who retire with at least 10 years of cumulative service with the City and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERS) are eligible for benefits. The funding policy of the City is to pay benefits through its self-insured Health Insurance Reserve Fund.

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 two amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement No. 45).

Retirees and spouses have the same benefit as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches the 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.

Membership in the Plan comprised the following at January 1, 2016:

Active employees	165
Retired participants medical	9

## 10. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

### Funding Policy

The contributions of the plan members and the City are established and may be amended by the City Commission. The required contribution is based on pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually. City retirees pay 100% of their healthcare premiums; the City is not required to share costs of retiree premiums.

The City's contributions to the plan for the year ended December 31, 2016 were \$2,075,760, of which 44% was paid from governmental funds and 56% was paid from business-type funds.

### Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. 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 actuarially determined liabilities (or funding excess) over a period not to exceed thirty years. The following tables show the components of the City's OPEB cost for 2016:

<u>Annual OPEB Cost and Obligation for 2016</u>	<u>Amount</u>
Annual required contribution (ARC)	\$110,367
Interest on net OPEB obligation	28,033
Adjustment to ARC	<u>(38,244)</u>
Annual OPEB cost (expense)	100,156
Contributions made	<u>(42,800)</u>
Increase in net OPEB obligation	57,356
Net OPEB obligation – beginning of year	<u>622,950</u>
Net OPEB obligation – end of year	<u>\$680,306</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016, and the eight preceding years, is as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Net Employer Contributions</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
12-31-08	\$ 96,300	\$ 18,334	19.04%	\$ 77,966
12-31-09	18,334	–	0.00%	96,300
12-31-10	115,269	28,678	24.88%	182,891

## 10. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Net Employer Contributions</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
12-31-11	\$115,269	\$28,678	24.88%	\$ 269,482
12-31-12	126,325	38,825	30.73%	356,982
12-31-13	126,325	38,825	30.73%	444,482
12-31-14	131,791	42,557	32.29%	533,716
12-31-15	131,791	42,557	32.29%	622,951
12-31-16	100,156	42,800	42.73%	680,306

### **Funded Status and Funding Progress**

As of December 31, 2016, the plan was not funded. The actuarial accrued liability for benefits was \$969,013, and there were no actuarial assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$969,013. The covered payroll (annual payroll of active employees covered by the plan) was \$8,235,212, and the ratio of the UAAL to the covered payroll was 11.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the Plan and the ARC of the City 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, presents trend information.

### **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. OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and, actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future.

In the January 1, 2016 actuarial valuation (the most recent actuarial valuation received by the City), the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% percent investment rate of return, an annual healthcare cost trend rate of 6.5% for 2016 and an ultimate rate of 5% after 2021, and assumed inflation

## **10. OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

rate of 2.5% and projected salary increases at 3%. The UAAL is being amortized as a level percentage of projected payroll on an open basis over a period of 30 years.

## **11. DEFINED CONTRIBUTION PLAN**

The City established a 401(a) money purchase deferred compensation plan in 2004 for the benefit of City 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 matching contributions, up to \$20 per pay period. The City contributed \$53,960 to employee accounts in 2016. 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 with VOYA Financial or ICMA-RC Investments.

## **12. DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan (the Plan) in accordance with Internal Revenue Code Section 457. Employees may choose between VOYA Financial 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 values, 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. In addition, the City Commission has adopted by resolution a salary reduction flexible benefit plan (125 Plan) under Section 125 of the Internal Revenue Code. All permanent full-time employees are eligible to participate in the 125 Plan beginning after one full month of employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the 125 Plan. Benefits offered through the 125 Plan include various insurances and disability benefits.

## **13. BUDGETARY DATA**

As described in Note 1, the actual data presented in the budgetary comparison statements differ from data presented in accordance with generally accepted accounting principles (GAAP) for the governmental fund types. The following reconciliation's are presented to provide a correlation between the different bases of reporting:

### 13. BUDGETARY DATA (continued)

	General Fund	Debt Service Fund	Other Nonmajor Govern- mental Funds
GAAP Fund Balance at December 31, 2016	\$ 957,608	\$ 761,442	\$ 2,107,153
Adjustments:			
Accrued sales tax revenues	(216,761)	-	-
Accrued franchise fee revenues	(36,369)	-	-
Due to (from) other funds	(20,265)	(183,277)	183,277
Other receivables	(321,298)	-	(20,313)
Land held for resale	-	-	(710,252)
Reserved for encumbrances – budgeted funds	(47,292)	-	(9,527)
Fund balances (deficit) of nonbudgeted funds	-	-	(4,416)
Budgetary Fund Balance at December 31, 2016	<u>\$ 315,623</u>	<u>\$ 578,165</u>	<u>\$ 1,545,922</u>

### 14. INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables (due to/ from other funds) at December 31, 2016 were as follows:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
Major funds:		
General	\$ 20,265	\$ -
Debt Service	183,277	-
Electric Utility	55,909	-
Gas Utility	6,645	-
Water Utility	2,970	-
Wastewater Utility	<u>4,912</u>	<u>-</u>
Total major funds	<u>273,978</u>	<u>-</u>
Nonmajor funds:		
Stormwater Drainage	\$ -	\$ 183,277
Geometric KLINK Main Street	-	199,575
Country Club Villa	-	10,833
12 <sup>th</sup> Avenue Project	210,408	-
Refuse	7,620	-
Operations Center	-	70,000
Sales Tax	<u>-</u>	<u>28,321</u>
Total nonmajor funds	<u>218,028</u>	<u>492,006</u>
	<u>\$ 492,006</u>	<u>\$ 492,006</u>

#### 14. INTERFUND RECEIVABLES AND PAYABLES (continued)

The City utilizes two internal service funds to account for utility receivables and fleet management services. Advances from the General Fund (\$20,265), Electric Utility Fund (\$27,588), Gas Utility Fund (\$6,645), Water Utility Fund (\$2,970) Wastewater Utility Fund (\$4,912) and Refuse Fund (\$4,912) were used to create the internal service funds. These advances are considered long-term, and the intent is not to repay these amounts within one year although \$34,010 of the advances was repaid during 2016.

The amount due to the Debt Service Fund is related to debt service payments actually paid by the Debt Service Fund in prior years' but were scheduled to be paid by the Stormwater Drainage Fund.

The amounts due to the 12<sup>th</sup> Avenue Project Fund are the result of cash deficiencies incurred at year-end by other project funds for which temporary or permanent financing had been authorized by the governing body but not yet issued at year-end.

#### 15. INTERFUND TRANSFERS

A summary of interfund transfers by individual fund for 2016 is as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Major Funds:		
General	\$ 2,966,300	\$ 2,294,633
Debt Service	639,252	—
Capital Improvements	1,059,141	646,252
Electric Utility	—	2,690,421
Gas Utility	—	389,883
Water Utility	137,500	163,802
Wastewater Utility	—	42,500
Total major funds	<u>4,802,193</u>	<u>6,227,491</u>
Nonmajor Funds:		
Special Parks and Recreation	—	10,000
Water Preservation	46,419	12,719
Senior Citizens Facility	4,500	—
Special Liability	75,000	—
Special Streets and Highway	285,000	—
Industrial Development	43,750	—
Drug Task Force	—	13,513
Cemetery Improvements	32	20,000
Equipment Reserve	40,000	—



## 15. INTERFUND TRANSFERS (continued)

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Alcohol and Drug Safety Action	\$ 165	\$ -
Streets – Sales Tax	894,202	-
Stormwater Drainage	-	70,000
Cemetery Endowment	-	32
Vaughn Tennis Center Project	-	48,000
2015 EMS Ambulance	100,704	-
Refuse	-	120,635
Quail Ridge Golf Course	254,425	-
Operations Center	-	24,000
Total nonmajor funds	<u>1,744,197</u>	<u>318,899</u>
	<u>\$ 6,546,390</u>	<u>\$ 6,546,390</u>

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.

The General Fund received transfers from the Electric Utility, Gas Utility, Water Utility and Refuse Funds in the amounts of \$2,508,546, \$177,082, \$126,024 and \$66,135, respectively. These transfers represent in lieu of franchise taxes ranging from 4% to 6.9% of gross sales. The in lieu of franchise taxes mirror the payment received from external utilities providing services to the City, such as telephone and cable services. The General Fund also received transfers from the Drug Task Force Fund of \$13,513, which closed the operations of that fund. The General Fund also received \$75,000 back from the Capital Improvement Fund for excess amounts originally committed for capital improvement projects. Transfers from the General Fund to the Equipment Reserve (\$20,000), Water Preservation (\$8,640), Senior Citizens Facility (\$3,500) and Special Street and Highway (\$285,000) Funds are routinely made to fund future equipment replacement for the various departments within the General Fund and to support operations of those functions. The General Fund transferred \$894,202 and \$982,422 to the Streets – Sales Tax and Capital Improvement Fund representing the commitment of sales tax collections for street improvements. The General Fund also made a non-routine transfer to the 2015 EMS Ambulance Fund in the amount of \$100,704 to assist in covering equipment purchases from that capital project fund.

The Debt Service Fund routinely receives transfers to assist with debt service payments from the Capital Improvements (\$571,252), Vaughn Tennis Center Project (\$48,000) and Stormwater Drainage (\$20,000) funds. The Capital Improvements Fund received transfers from the Special Parks and Recreation (\$10,000), Gas Utility (\$10,000), Water Utility (\$12,719), Wastewater Utility (\$20,000) and Operations Center (\$24,000) Funds to assist in financing projects related to those functions.

## 15. INTERFUND TRANSFERS (continued)

The Electric Utility transferred to the Industrial Development (\$28,750), Special Liability (\$1,000) and Quail Ridge Golf Course (\$93,375) funds during 2016. Gas Utility transfers also included the Industrial Development (\$15,000), Special Liability (\$20,000) and Quail Ridge Golf Course (\$141,550) Funds. The Water Utility Fund received transfers from the Electric Utility (\$18,750), Gas Utility (\$26,250, Wastewater Utility (\$22,500), Refuse (\$20,000) and Stormwater Drainage (\$50,000) Funds that totaled \$137,500. The Water Utility Fund transferred \$37,778 to the Water Preservation Fund. The Refuse Fund transferred to the Special Liability Fund \$15,000 and \$19,500 to the Quail Ridge Golf Course Fund during 2016.

## 16. FUND DEFICITS

At December 31, 2016, the following individual funds had incurred deficits:

<u>Fund</u>	<u>Amount</u>
Geometric KLINK Main Street	\$ 199,575
Country Club Villa	10,833
2016 KLINK	126,351
Hospital Improvements	7,617
Public Safety Needs Study	90,503
2015 EMS Ambulance	101,081
12 <sup>th</sup> Avenue Project	70,572
14 <sup>th</sup> Avenue Bridge	61,164
Baden Center Building Improvements	3,311
2016 Technology Upgrades	84,758
2017 KLINK	2,696

These fund deficits will be financed through the sale of bonds authorized by the City Commission, not yet sold at December 31, 2016, or through other revenue sources available to the City.

## 17. TAX ABATEMENTS

In the current year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*. The objective of GASB Statement No. 77 is to improve financial reporting by giving financial statement users essential information regarding the nature and magnitude of tax abatements. The City operates three economic development programs that qualify as tax abatements under GASB No. 77. Those programs include: (1) Neighborhood Revitalize Plan (NRP), (2) Economic Development Tax Exemption (EDX) and (3) Industrial Revenue Bond Exemption (IRB). NRP authority is K.S.A. 12-17,114 et. seq. EDX authority is given to local units of

## **17. TAX ABATEMENTS (continued)**

government in Article II, Section 13 of the Kansas Constitution. IRB exemptions authority is K.S.A. 12-1740 et. seq. Those programs as are summarized as follows.

### **Neighborhood Revitalization Programs Property Tax Abatements**

The City of Winfield Neighborhood Revitalization Plan (NRP), which was effective January 1, 2015 and approves property tax abatements in accordance with K.S.A. 79-201a Second and Twenty-Fourth and K.S.A. 12-1740 to 12-1749d, inclusive. The NRP incentive program requires that the construction of an improvement must have been commenced on or after January 1, 2015 and be located within the designated Neighborhood Revitalization Areas. The NRP program shall expire on December 31, 2017 however, the City Commission will review the program annually on or before August 15, at which time the City Commission will consider modifications and extensions. An application for tax rebate must be filed within 60 days of the issuance of a building permit. The minimum investment in an improvement is \$5,000, as determined by the building permit value, for residential, commercial and historic property. Rehabilitation, alterations and additions to any existing residential, commercial and industrial structure or multi-family residential, commercial or industrial new construction, shall be eligible. The rebate period will be for a period of 7 years with the rebate amount being 75% of the increased valuation from such improvements. Single-family residential new construction is also eligible with a rebate period of 5 years at 50% of the first \$150,000 of appraised value. In addition, properties in the National, Kansas or Local Historical Register shall be eligible with a rebate period of 10 years with the rebate amount being 100%. Properties within the City of Winfield located within Cowley County are eligible. On June 1, 2015, the City Commission amended the NRP Plan to include properties within the Winfield city limits acquired by delinquent tax or mortgage foreclosures. Building permits must be issued for a minimum of \$20,000 and improvements made within 24 months after filing of the Sheriff's Deed. Eligibility will be revoked if building permit and improvement requirements are not met. Eligible properties will receive a rebate of 75% for 7 years after final project completion. Upon timely payment in full of all real estate tax and special assessments for the property, a rebate of the taxes related to the valuation improvement (less an administrative fee not to exceed 5% to be retained by Cowley County, Kansas) will be made to the property owner. Cowley County issues the rebate checks directly to the individual taxpayers. All taxing subdivisions overlapping the City of Winfield participate in this NRP program.

For the year ended December 31, 2016, the City abated property taxes totaling \$56,200 under the NRP program.

### **Economic Development Tax Exemption (EDX) and Industrial Revenue Bond (IRB) Tax Abatements**

Eligible properties for economic development tax exemptions are new or existing business engaged in manufacturing articles of commerce, conducting research and development, or storing goods or commodities which are sold or traded in interstate commerce.

## **17. TAX ABATEMENTS (continued)**

The City's Tax Exemption Policy allows tax abatements that meet the guidelines for EDX and IRB tax exemptions under Kansas law. The City considers granting an exemption incentive upon a clear and factual showing of direct economic benefit to the City. Factors considered in determining the amount and term of a tax exemption incentive include, but are not limited to: increased employment and earnings, additional revenues from new or expanded business, types of jobs created, degree to which the business improves diversification of the economy, potential for future expansion and additional job creation, utilization of local products or materials in manufacturing and the additional direct and indirect public costs for additional infrastructure. All applications require a Cost Benefit Analysis per Kansas regulations, which can be prepared by an independent consultant or Kansas Department of Commerce.

The business is required to report any change in ownership of exempt assets which requires a new application for property tax exemption.

There is an annual requirement that the business submit an Annual Claim for Exemption from Property Taxation form with the County Appraiser. The annual review of the business report by the County is to ensure that the ownership and use of the property and any other qualifying criteria of the business for the tax exemption incentive shall continue to exist.

All applications and records pertaining to a property tax exemption request shall be subject to the provisions of the Kansas Open Records Act. Any business records or information eligible to remain confidential will be kept confidential only if requested by the applicant.

The City has no provisions to recapture abated taxes if the business does not meet initial new employment or salary estimates used in the preparation of the initial Cost Benefit Analysis. If the use changes to another qualifying use the annual tax abatement will most likely continue following review of the Annual Claim for Exemption Form. The tax abatement incentive is cancelled for any business that ceases to operate or no longer is considered an eligible property.

Property tax incentives issued by the City are abated based on the new or expanded costs of improvements at 100% of the cost of the improvements. Per Kansas law, machinery and equipment placed in use by a business after June 30, 2006 is exempt from ad valorem taxes.

The City has made no commitments other than reduced taxes to business receiving tax abatement incentives.

The City negotiates property tax abatement agreements on an individual basis. The abated taxes reflect the amounts that would have been levied on behalf of the City on the 2015 tax roll to fund expenditures during the calendar year 2016 were it not for an exemption.

## 17. TAX ABATEMENTS (continued)

A summary of economic development tax abatements for 2016 is as follows:

<u>Location of Exempt Property</u>	<u>Amount</u>
EDX and IRB Tax Abatements:	
City	\$ 411,642
Other taxing entities	<u>930,000</u>
Total abatements	<u>\$1,341,642</u>

## 18. COMMITMENTS AND CONTINGENCIES

### Electric Purchase Commitments

The City became a member of the Kansas Power Pool (KPP), a municipal energy agency, in January 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). 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 were in force through December 31, 2015. 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 2012 the City entered into a twenty-year power purchase contract with KPP, to purchase all of the City's required electrical power. That contract was amended in June 2017 to provide a commitment to purchase power and energy and the associated transmission service not to exceed 40 years.

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.

### Natural Gas Purchase Commitments

The City entered into a contract with the Kansas Municipal Gas Agency (KMGA) in February 2014 to purchase its entire gas requirements from and through KMGA for the term of the agreement. The contract provides that the City may provide for alternative

## **18. COMMITMENTS AND CONTINGENCIES (continued)**

supplies not to exceed 25% of its total annual gas supply. The contract provides for a year-to-year term until terminated by either party giving at least a 1-year written notice to the other party.

### **Other Commitments**

Subsequent to year-end, the City Commission approved the purchase of a new fire truck and associated equipment in the amount of \$750,000 and entered into a bridge replacement agreement with the Kansas Department of Transportation (KDOT) with KDOT to fund 80% or the first 1.25 million dollars of the project with the City responsible for the remainder of the costs. The bridge replacement estimated total cost is 1.8 million dollars.

In March 2017, the City received notification of the award of a \$300,000 Small Cities Community Development Block Grant for rental rehabilitation within the City. The City's match commitment for the grant award is \$100,000.

## **19. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 7, 2017, the date on which the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WINFIELD, KANSAS**

**REQUIRED SUPPLEMENTARY INFORMATION**

**OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Schedule of Funding Progress**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (b - a)</u>	<u>Funded Ratio (a ÷ b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percent of Covered Payroll ((b - a) ÷ c)</u>
1/1/08	\$ -	\$ 782,186	\$ 782,186	0.0%	\$ 8,270,079	9.5%
1/1/10	-	881,110	881,110	0.0%	7,948,411	11.1%
1/1/12	-	1,068,057	1,068,057	0.0%	7,875,204	13.6%
1/1/14	-	1,132,796	1,132,796	0.0%	6,774,798	16.7%
1/1/16	-	969,013	969,013	0.0%	8,235,412	11.8%



**CITY OF WINFIELD, KANSAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**KANSAS PUBLIC EMPLOYEES SYSTEM RETIREMENT PENSION PLAN**

**Schedule of City's Proportionate Share of the Net Pension Liability**  
**Last Two Years \***

<u>Local</u>	<u>2016</u>	<u>2015</u>
City's proportionate percentage of the net pension liability	.384854%	.309342%
City's proportionate share of the net pension liability	\$ 5,953,805	\$ 4,488,598
City's covered employee payroll	\$ 6,705,665	\$ 6,538,246
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	88.79%	69.00%
Plan fiduciary net position as a percentage of the total pension liability	68.55%	64.95%
<u>Police and Firemen</u>	<u>2016</u>	<u>2015</u>
City's proportionate percentage of the net pension liability	.594480%	.585351%
City's proportionate share of the net pension liability	\$ 5,521,321	\$ 5,075,730
City's covered employee payroll	\$ 2,891,488	\$ 2,807,888
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	190.95%	181.00%
Plan fiduciary net position as a percentage of the total pension liability	69.30%	64.95%

\* – Data became available with the inception of GASB Statement No. 68 during fiscal year 2015, therefore 10 years of data is unavailable.

**CITY OF WINFIELD, KANSAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**KANSAS PUBLIC EMPLOYEES SYSTEM RETIREMENT PENSION PLAN**

**Schedule of City's Contributions**  
**Last Two Years \***

<u><b>Local</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Contractually required contribution	\$ 620,385	\$ 650,603
Contributions in relation to the contractually required contribution	<u>(620,385)</u>	<u>(650,603)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>
City's covered employee payroll	\$ 6,705,665	\$ 6,538,246
Contributions as a percentage of covered employee payroll	9.25%	9.95%

<u><b>Police and Firemen</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Contractually required contribution	\$ 678,363	\$ 705,623
Contributions in relation to the contractually required contribution	<u>(678,363)</u>	<u>(705,623)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>
City's covered employee payroll	\$ 2,828,536	\$ 2,807,888
Contributions as a percentage of covered employee payroll	23.98%	25.13%

\* – Data became available with the inception of GASB Statement No. 68 during fiscal year 2015, therefore 10 years of data is unavailable.

**COMBINING FINANCIAL STATEMENTS  
AND  
INDIVIDUAL FUND SCHEDULES**

## GOVERNMENTAL FUNDS

### **NONMAJOR SPECIAL REVENUE FUNDS**

The primary purpose of the Special Revenue Funds is to account for the proceeds of designated revenue sources which are used to finance specified activities as required by law or administrative regulation. The following nonmajor Special Revenue Funds are reported:

**Flood Control** – to account for maintenance costs of the flood levee.

**Special Parks and Recreation** – to account for park and recreation upgrades. Financing is provided through one-third of the 10% gross receipts tax on the sale of alcoholic liquor, which is a statewide alcohol liquor tax.

**Special Alcohol** – to account for expenditures of drug and alcohol education, treatment and prevention services for City residents. Financing is provided through one-third of the 10% gross receipts tax on the sale of alcoholic liquor, which is a statewide alcohol liquor tax.

**Law Enforcement Trust** – to account for the net proceeds of sale of forfeited property and moneys related to controlled substances activities. The enabling statute defines allowable expenditures.

**Water Preservation** – established 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. A portion of the lake permit fees and two cents for every one thousand gallons of water billed provide the revenue sources for this fund.

**Senior Citizen Facility** – to account for the operations of the Senior Center activities. Financing is provided from appropriations from the Cowley County Council on Aging and other sources.

**Special Liability** – to account for City employee legal defense costs and various uninsured risk costs as provided by applicable statutes. Financing is provided by a specific tax levy.

**Ambulance and Fire Equipment Reserve** – used to account for the resources to be used for the replacement of ambulance or emergency service equipment. Financing is provided by transfers from other City funds.

**Special Streets and Highway** – to account for street maintenance operations. Financing is provided through motor fuel taxes distributed from the State of Kansas Special City and County Highway Fund.

**Industrial Development** – to account for the promotion of industrial development. Financing is provided through a specific tax levy.

**Tourism and Convention** – to account for the administration of the Transient Guest Tax received by the City. All moneys are to be expended for convention and tourism promotion per applicable State statutes.

**Fairgrounds Improvements** – to account for Cowley County Fairgrounds maintenance and improvement expenditures. Financing is provided by fairgrounds facility usage fees.

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

**Cemetery Improvements** – Cemetery operations and maintenance expenditures are paid from this fund with one-third of sales proceeds of each cemetery space and pre-need payments providing the funding for this fund.

**Library** – to account for the City's tax levy funding of the operation of the Winfield Public Library. Financing is provided by a specific tax levy.

**Equipment Reserve** – to account for the resources provided by other City funds to provide for future equipment purchases.

**Grants and Contributions** – to account for federal and state grants and contributions from private enterprise for general government type projects.

**Alcohol and Drug Safety Action** – to account for assessment fees collected by the Municipal Court for alcohol and drug related charges, as established by state statutes. Resources can only be used for court expenditures involved in administering the provisions of the related statute.

**Barr Police Building** – The City received a \$542,972 bequest in 2015 restricted for use of police improvements.

**Streets – Sales Tax** – to account for a .4% cent sales tax approved by the voters of the City beginning July 1, 2014 and ending June 30, 2021 to be used for library, street and other capital improvements. The first \$600,000 of sales tax collections is committed to library improvements with 50% of the remaining collections allocated to the library, to a maximum of \$900,000, with the remaining resources for the specified City purposes.

**Stormwater Drainage** – established in 1996 to fund major drainage projects throughout the City. Financing is provide through stormwater drainage fees charged to City utility customers

## **NONMAJOR CAPITAL PROJECT FUNDS**

The primary purpose of the capital projects fund is to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds. Nonmajor projects included within this fund type are as follows:

**Geometric KLINK Main Street**– to account for the costs of a street resurfacing project on a main trafficway of the City. The Kansas Department of Transportation (KDOT) provides funding for a portion of the project with the balance to be financed through the issuance of general obligation bonds.

**Library Parking Lot Improvements** – to account for the costs of renovating the parking lot at the Winfield Public Library with financing to be provided from the issuance of general obligation bonds.

**Country Club Villa** – to account for future sewer line expansion to areas surrounding the Winfield Country Club. Financing to be provided from the issuance of general obligation bonds and other resources available to the City.

**2014 Capital Equipment** – to account for the proceeds from debt financing of certain equipment purchases.

**2016 KLINK** – to account for the costs of a street resurfacing project on a main trafficway of the City. KDOT provides funding for a portion of the project with the balance to be financed through the issuance of general obligation bonds.

**Hospital Improvements** – to account for facility improvements at the William Newton Memorial Hospital with financing to be provided through the issuance of general obligation bonds to be repaid by the Hospital through a financing agreement with the City.

**Vaughn Tennis Center Project** – to account for the improvements to the tennis center facilities located on the south end of Whittier Elementary School. The City entered into an agreement with the Winfield Unified School District No. 465, Southwestern College and the Winfield Recreation Commission to expand and improve the tennis center.

**Public Safety Needs Study** – to account for a project authorized by the City Commission in 2015 to determine the long-term solution for police, fire and ambulance facilities.

**2015 EMS Ambulance** – to account for the financing of a new ambulance to be financed from the issuance of general obligation bonds or other resources available to the City.

**12<sup>th</sup> Avenue Project** – to account for infrastructure improvements for a portion of 12<sup>th</sup> Avenue to be financed from the issuance of general obligation bonds and other resources available to the City.

**14<sup>th</sup> Avenue Bridge** – to account for the 14<sup>th</sup> Avenue bridge improvements with KDOT providing funding for a portion of project with the balance to be financed through the issuance of general obligation bonds.

**Baden Center Building Improvements** – to account for improvements to the Baden Center building to be financing from the issuance of general obligation bonds and other resources available to the City.

**2016 Technology Upgrades** – to account for the purchase of technology equipment imaging upgrades to be financed from the issuance of general obligation bonds and other resources available to the City.

**2017 KLINK** – to account for the costs of a street resurfacing project on a main trafficway of the City. KDOT provides funding for a portion of the project with the balance to be financed through the issuance of general obligation bonds.

#### **PERMANENT FUND**

**Cemetery Endowment** – the fund is an endowment from a citizen and prohibits the use of the principal and only the investment earnings can be used for cemetery improvements.

**CITY OF WINFIELD, KANSAS**

**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**

**December 31, 2016**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Permanent Fund – Cemetery Endowment</u>	<u>Total All Nonmajor Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash including short-term investments	\$ 2,178,673	\$ 1,734,396	\$ 6,000	\$ 3,919,069
Property tax receivable	623,497	–	–	623,497
Accounts receivable	20,376	–	–	20,376
Land held for resale	710,252	–	–	710,252
Due from other funds	–	210,408	–	210,408
<b>Total</b>	<b><u>\$ 3,532,798</u></b>	<b><u>\$ 1,944,804</u></b>	<b><u>\$ 6,000</u></b>	<b><u>\$ 5,483,602</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,848	\$ 14,429	\$ –	\$ 17,277
Accrued payroll and accrued liabilities	11,990	–	–	11,990
Due to other funds	183,277	210,408	–	393,685
Temporary notes payable	–	2,330,000	–	2,330,000
<b>Total liabilities</b>	<b><u>198,115</u></b>	<b><u>2,554,837</u></b>	<b><u>–</u></b>	<b><u>2,752,952</u></b>
<b>Deferred inflows of resources:</b>				
Property taxes receivable	623,497	–	–	623,497
<b>Fund Balances:</b>				
Nonspendable	710,252	–	6,000	716,252
Restricted:				
General government	34,535	–	–	34,535
Public safety	559,189	–	–	559,189
Stormwater drainage improvements	125,974	–	–	125,974
Public works	220,052	–	–	220,052
Recreation	92,269	–	–	92,269
Health and welfare	18,076	–	–	18,076
Economic development	14,308	–	–	14,308
Levee maintenance	39,406	–	–	39,406
Equipment acquisitions	80,871	–	–	80,871
Committed:				
Street improvements	484,533	–	–	484,533
Water quality programs	140,593	–	–	140,593
Fairgrounds improvements	129,959	–	–	129,959
Cemetery improvements	60,999	–	–	60,999
Assigned:				
Capital projects	170	–	–	170
Unassigned	–	(610,033)	–	(610,033)
<b>Total fund balances</b>	<b><u>2,711,186</u></b>	<b><u>(610,033)</u></b>	<b><u>6,000</u></b>	<b><u>2,107,153</u></b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b><u>\$ 3,532,798</u></b>	<b><u>\$ 1,944,804</u></b>	<b><u>\$ 6,000</u></b>	<b><u>\$ 5,483,602</u></b>



**CITY OF WINFIELD, KANSAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

**Year ended December 31, 2016**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Permanent Fund – Cemetery Endowment</u>	<u>Total All Nonmajor Governmental Funds</u>
Revenues:				
Taxes	\$ 667,201	\$ –	\$ –	\$ 667,201
Intergovernmental	939,293	130,155	–	1,069,448
Charges for services	167,557	–	–	167,557
Use of money and property	27,989	–	–	27,989
Miscellaneous	<u>33,674</u>	<u>51,406</u>	<u>32</u>	<u>85,112</u>
Total revenues	<u>1,835,714</u>	<u>181,561</u>	<u>32</u>	<u>2,017,307</u>
Expenditures:				
Current:				
General government	189,027	124,758	–	313,785
Public safety	1,049	216,112	–	217,161
Public works	1,492,320	394,346	–	1,886,666
Culture and recreation	609,561	71,204	–	680,765
Health and welfare	34,678	7,617	–	42,295
Economic development	194,014	–	–	194,014
Cemetery	1,824	–	–	1,824
Debt service	<u>5,100</u>	<u>–</u>	<u>–</u>	<u>5,100</u>
Total expenditures	<u>2,527,573</u>	<u>814,037</u>	<u>–</u>	<u>3,341,610</u>
Expenditures over revenues	<u>(691,859)</u>	<u>(632,476)</u>	<u>32</u>	<u>(1,324,303)</u>
Other financing sources (uses):				
Proceeds from capital lease obligation	41,558	–	–	41,558
Transfers in	1,389,068	100,704	–	1,489,772
Transfers out	<u>(126,232)</u>	<u>(48,000)</u>	<u>(32)</u>	<u>(174,264)</u>
Total other financing sources (uses)	<u>1,304,394</u>	<u>52,704</u>	<u>(32)</u>	<u>1,357,066</u>
Net change in fund balances	612,535	(579,772)	–	32,763
Fund balances (deficit), beginning of year	<u>2,098,651</u>	<u>(30,261)</u>	<u>6,000</u>	<u>2,074,390</u>
Fund balances (deficit), end of year	<u>\$ 2,711,186</u>	<u>\$ (610,033)</u>	<u>\$ 6,000</u>	<u>\$ 2,107,153</u>

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
(continued on next page)

## ASSETS

## LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES

## CITY OF WINFIELD, KANSAS

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
(continued from previous page)

December 31, 2016

	Fairgrounds improvements	Drug Task Force	Cemetery Improvement	Library	Equipment Reserve	Grants and Contributions	Alcohol and Drug Safety Action	Barr Police Building	Streets - Sales Tax	Stormwater Drainage	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>											
Cash and short-term investments	\$ 129,959	\$ -	\$ 60,999	\$ 8,316	\$ 41,892	\$ 39,134	\$ 594	\$ 526,508	\$ 220,052	\$ 291,889	\$ 2,178,673
Accounts receivable	-	-	-	-	-	-	-	-	-	17,362	20,376
Property taxes receivable	-	-	-	482,399	-	-	-	-	-	-	623,497
Land held for resale	-	-	-	-	-	-	-	-	-	-	710,252
Total assets	<u>\$ 129,959</u>	<u>\$ -</u>	<u>\$ 60,999</u>	<u>\$ 490,715</u>	<u>\$ 41,892</u>	<u>\$ 39,134</u>	<u>\$ 594</u>	<u>\$ 526,508</u>	<u>\$ 220,052</u>	<u>\$ 309,251</u>	<u>\$ 3,532,798</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>											
<b>Liabilities:</b>											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155	\$ -	\$ -	\$ -	\$ -	\$ 2,848
Accrued payroll and taxes	-	-	-	-	-	-	-	-	-	-	11,990
Due to other funds	-	-	-	-	-	-	-	-	-	183,277	183,277
Total liabilities	-	-	-	-	-	155	-	-	-	183,277	198,115
Deferred inflows of resources:											
Property taxes receivable	-	-	-	482,399	-	-	-	-	-	-	623,497
Fund balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	-	710,252
Restricted	-	-	-	-	-	-	-	-	-	-	34,535
General government	-	-	-	-	-	-	-	526,508	-	-	599,189
Public safety	-	-	-	-	-	-	-	-	-	-	125,974
Stormwater drainage improvements	-	-	-	-	-	-	-	-	-	125,974	92,269
Culture and recreation	-	-	-	8,316	-	-	-	-	-	-	18,076
Health and welfare	-	-	-	-	-	-	594	-	-	-	14,308
Economic development	-	-	-	-	-	-	-	-	-	-	39,406
Levee maintenance	-	-	-	-	-	-	-	-	-	-	220,052
Street improvements	-	-	-	-	-	-	-	-	220,052	-	80,871
Equipment acquisitions	-	-	-	-	41,892	38,979	-	-	-	-	484,533
Committed:											140,593
Street improvements	-	-	-	-	-	-	-	-	-	-	129,959
Water quality programs	-	-	-	-	-	-	-	-	-	-	60,999
Fairgrounds improvements	129,959	-	-	-	-	-	-	-	-	-	60,999
Cemetery improvements	-	-	60,999	-	-	-	-	-	-	-	170
Assigned:											
Capital projects	-	-	-	-	-	-	-	-	-	-	2,711,186
Total fund balances	<u>129,959</u>	<u>-</u>	<u>60,999</u>	<u>8,316</u>	<u>41,892</u>	<u>38,979</u>	<u>594</u>	<u>526,508</u>	<u>220,052</u>	<u>125,974</u>	<u>\$ 3,532,798</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 129,959</u>	<u>\$ -</u>	<u>\$ 60,999</u>	<u>\$ 490,715</u>	<u>\$ 41,892</u>	<u>\$ 39,134</u>	<u>\$ 594</u>	<u>\$ 526,508</u>	<u>\$ 220,052</u>	<u>\$ 309,251</u>	<u>\$ 3,532,798</u>

CITY OF WINFIELD, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
(continued on next page)

Year ended December 31, 2016

	Flood Control	Special Parks and Recreation	Special Alcohol Program	Law Enforcement Trust	Water Preservation	Senior Citizens Facility	Special Liability	Ambulance and Fire Equipment Reserve	Special Streets and Highway	Industrial Development	Convention and Tourism
Revenues:											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,055	\$ -	\$ -	\$ 13,589	\$ -
Intergovernmental revenues	-	19,002	19,002	-	-	5,000	-	-	799,174	-	97,115
Charges for services	-	-	-	-	-	-	-	-	-	-	3,831
Use of money and property	2	15,887	125	161	685	19	246	10	955	8	113
Miscellaneous	210	6,539	1,711	7,008	-	3,683	-	-	8,182	-	-
Total revenues	212	41,428	20,838	7,169	685	8,702	138,301	10	808,311	13,597	101,059
Expenditures:											
Current:											
General government	-	-	-	-	-	-	189,027	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Public works	725	-	-	-	-	-	-	-	782,594	-	-
Culture and recreation	-	78,761	-	-	-	8,297	-	-	-	-	-
Health and welfare	-	-	24,431	-	9,752	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	62,341	131,673
Cemetery	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	5,100	-	-
Total expenditures	725	78,761	24,431	-	9,752	8,297	189,027	-	787,694	62,341	131,673
Revenues over (under) expenditures	(513)	(37,333)	(3,593)	7,169	(9,067)	405	(50,726)	10	20,617	(48,744)	(30,614)
Other financing sources:											
Proceeds from capital lease obligation	-	-	-	-	-	-	-	-	41,558	-	-
Transfers in	-	-	-	-	46,419	4,500	75,000	-	285,000	43,750	-
Transfers out	-	(10,000)	-	-	(12,719)	-	-	-	-	-	-
Total other financing sources (uses)	-	(10,000)	-	-	33,700	4,500	75,000	-	326,558	43,750	-
Net change in fund balance	(513)	(47,333)	(3,593)	7,169	24,633	4,905	24,274	10	347,175	(4,994)	(30,614)
Fund balances, beginning of year	39,919	123,948	21,075	24,442	115,960	2,433	10,261	1,060	1,373,588	715,416	44,922
Fund balances, end of year	\$ 39,406	\$ 76,615	\$ 17,482	\$ 31,611	\$ 140,593	\$ 7,338	\$ 34,535	\$ 1,070	\$ 484,533	\$ 710,422	\$ 14,308

CITY OF WINFIELD, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
(continued from previous page)

Year ended December 31, 2016

	Fairgrounds Improvements	Drug Task Force	Cemetery Improvements	Library	Equipment Reserve	Grants And Contributions	Alcohol and Drug Safety Action	Barr Police Building	Streets - Sales Tax	Stormwater Drainage	Total Nonmajor Special Revenue Funds
Revenues:											
Taxes	\$ -	\$ -	\$ -	\$ 515,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 667,201
Intergovernmental revenues	-	-	-	-	-	-	-	-	-	-	939,293
Charges for services	14,162	-	-	-	-	-	-	-	-	149,564	167,557
Use of money and property	677	-	5,832	-	10	1,690	3	-	-	1,566	27,989
Miscellaneous	11	-	-	-	-	6,330	-	-	-	-	33,674
Total revenues	14,850	-	5,832	515,557	10	8,020	3	-	-	151,130	1,835,714
Expenditures:											
Current:											
General government	-	-	-	-	-	-	-	-	-	-	189,027
Public safety	-	-	-	-	-	1,035	-	14	-	-	1,049
Public works	-	-	-	-	-	-	-	-	-	34,851	1,492,320
Culture and recreation	4,864	-	-	517,639	-	-	-	-	674,150	-	609,561
Health and welfare	-	-	-	-	-	-	495	-	-	-	34,678
Economic development	-	-	-	-	-	-	-	-	-	-	194,014
Cemetery	-	-	1,824	-	-	-	-	-	-	-	1,824
Cemetery	-	-	-	-	-	-	-	-	-	-	5,100
Total expenditures	4,864	-	1,824	517,639	-	1,035	495	14	674,150	34,851	2,527,573
Revenues over (under) expenditures	9,986	-	4,008	(2,082)	10	6,985	(492)	(14)	(674,150)	116,279	(691,859)
Other financing sources:											
Proceeds from capital lease obligation	-	-	-	-	-	-	-	-	-	-	41,538
Transfers in	-	-	32	-	40,000	-	165	-	894,202	-	1,389,068
Transfers out	-	(13,513)	(20,000)	-	-	-	-	-	-	(70,000)	(126,232)
Total other financing sources (uses)	-	(13,513)	(19,968)	-	40,000	-	165	-	894,202	(70,000)	1,304,394
Net change in fund balance	9,986	(13,513)	(15,960)	(2,082)	40,010	6,985	(327)	(14)	220,052	46,279	612,535
Fund balances, beginning of year	119,973	13,513	76,959	10,398	1,882	31,994	921	526,522	-	79,695	2,098,651
Fund balances, end of year	\$ 129,959	\$ -	\$ 60,999	\$ 8,316	\$ 41,892	\$ 38,979	\$ 594	\$ 526,508	\$ 220,052	\$ 125,974	\$ 2,711,186

# CITY OF WINFIELD, KANSAS

## FLOOD CONTROL FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest earnings	\$ 175	\$ 175	\$ 210	\$ 35
Miscellaneous	<u>–</u>	<u>–</u>	<u>2</u>	<u>2</u>
Total revenues	<u>175</u>	<u>175</u>	<u>212</u>	<u>37</u>
Expenditures:				
Contractual services	10,250	10,250	–	10,250
Commodities	<u>5,000</u>	<u>5,000</u>	<u>725</u>	<u>4,275</u>
Total expenditures	<u>15,250</u>	<u>15,250</u>	<u>725</u>	<u>14,525</u>
Revenues over (under) expenditures	(15,075)	(15,075)	(513)	14,562
Fund balance, beginning of year	<u>44,293</u>	<u>44,293</u>	<u>39,919</u>	<u>(4,374)</u>
Fund balance, end of year	<u>\$ 29,218</u>	<u>\$ 29,218</u>	<u>\$ 39,406</u>	<u>\$ 10,188</u>

**CITY OF WINFIELD, KANSAS**

**SPECIAL PARKS AND RECREATION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 21,000	\$ 21,000	\$ 19,002	\$ (1,998)
Rent	14,500	14,500	15,180	680
Interest earnings	200	200	707	507
Miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>3,588</u>	<u>2,088</u>
Total revenues	<u>37,200</u>	<u>37,200</u>	<u>38,477</u>	<u>1,277</u>
Expenditures:				
Contractual service	20,000	20,000	–	20,000
Commodities	–	–	11,870	(11,870)
Capital outlay	90,000	90,000	66,891	23,109
Contingency	10,000	10,000	–	10,000
Transfers out	<u>–</u>	<u>–</u>	<u>10,000</u>	<u>(10,000)</u>
Total expenditures	<u>120,000</u>	<u>120,000</u>	<u>88,761</u>	<u>31,239</u>
Revenues over (under) expenditures	(82,800)	(82,800)	(50,284)	32,516
Fund balance, beginning of year	<u>114,849</u>	<u>114,849</u>	<u>123,948</u>	<u>9,099</u>
Fund balance, end of year	<u>\$ 32,049</u>	<u>\$ 32,049</u>	<u>\$ 73,664</u>	<u>\$ 41,615</u>

**CITY OF WINFIELD, KANSAS**

**SPECIAL ALCOHOL PROGRAM FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 21,000	\$ 21,000	\$ 19,002	\$ (1,998)
Interest earnings	15	15	125	110
Miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>1,711</u>	<u>(789)</u>
Total revenues	<u>23,515</u>	<u>23,515</u>	<u>20,838</u>	<u>(2,677)</u>
Expenditures:				
Personal services	24,985	24,985	24,431	554
Commodities	<u>100</u>	<u>100</u>	<u>–</u>	<u>100</u>
Total expenditures	<u>25,085</u>	<u>25,085</u>	<u>24,431</u>	<u>654</u>
Expenditures over revenues	(1,570)	(1,570)	(3,593)	(2,023)
Fund balance, beginning of year	<u>30,023</u>	<u>30,023</u>	<u>21,075</u>	<u>(8,948)</u>
Fund balance, end of year	<u>\$ 28,453</u>	<u>\$ 28,453</u>	<u>\$ 17,482</u>	<u>\$ (10,971)</u>



**CITY OF WINFIELD, KANSAS**

**LAW ENFORCEMENT TRUST FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest earnings	\$ 10	\$ 10	\$ 161	\$ 151
Miscellaneous	<u>2,750</u>	<u>2,750</u>	<u>7,008</u>	<u>4,258</u>
Total revenues	<u>2,760</u>	<u>2,760</u>	<u>7,169</u>	<u>4,409</u>
Expenditures:				
Contractual services	2,000	2,000	–	2,000
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>–</u>	<u>5,000</u>
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>–</u>	<u>7,000</u>
Revenues over (under) expenditures	(4,240)	(4,240)	7,169	11,409
Fund balance, beginning of year	<u>13,637</u>	<u>13,637</u>	<u>24,442</u>	<u>10,805</u>
Fund balance, end of year	<u>\$ 9,397</u>	<u>\$ 9,397</u>	<u>\$ 31,611</u>	<u>\$ 22,214</u>

**CITY OF WINFIELD, KANSAS**

**WATER PRESERVATION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest earnings	\$ 100	\$ 100	\$ 685	\$ 585
Transfers in	<u>52,000</u>	<u>52,000</u>	<u>46,419</u>	<u>(5,581)</u>
Total revenues	<u>52,100</u>	<u>52,100</u>	<u>47,104</u>	<u>(4,996)</u>
Expenditures:				
Contractual services	32,000	32,000	9,752	22,248
Commodities	200	200	–	200
Transfers out	<u>12,719</u>	<u>12,719</u>	<u>12,719</u>	<u>–</u>
Total expenditures	<u>44,919</u>	<u>44,919</u>	<u>22,471</u>	<u>22,448</u>
Revenues and other sources over expenditures	7,181	7,181	24,633	17,452
Fund balance, beginning of year	<u>114,853</u>	<u>114,853</u>	<u>115,960</u>	<u>1,107</u>
Fund balance, end of year	<u>\$ 122,034</u>	<u>\$ 122,034</u>	<u>\$140,593</u>	<u>\$ 18,559</u>

**CITY OF WINFIELD, KANSAS**

**SENIOR CITIZENS FACILITY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 5,000	\$ 3,000
Interest earnings	20	20	19	(1)
Miscellaneous	5,200	5,200	3,683	(1,517)
Transfers in	<u>1,000</u>	<u>1,000</u>	<u>4,500</u>	<u>3,500</u>
Total revenues	8,220	8,220	13,202	4,982
Expenditures:				
Contractual services	<u>8,340</u>	<u>8,340</u>	<u>8,297</u>	<u>43</u>
Revenues over (under) expenditures	(120)	(120)	4,905	5,025
Fund balance, beginning of year	<u>454</u>	<u>454</u>	<u>2,433</u>	<u>1,979</u>
Fund balance, end of year	<u>\$ 334</u>	<u>\$ 334</u>	<u>\$ 7,338</u>	<u>\$ 7,004</u>

**CITY OF WINFIELD, KANSAS**

**SPECIAL LIABILITY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 139,943	\$ 139,943	\$138,055	\$ (1,888)
Interest earnings	–	–	246	246
Transfers in	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>–</u>
Total revenues	<u>214,943</u>	<u>214,943</u>	<u>213,301</u>	<u>(1,642)</u>
Expenditures:				
Contractual services	3,200	3,200	–	3,200
Commodities	130,000	130,000	184,971	(54,971)
Capital outlay	70,000	70,000	2,174	67,826
Contingency	5,300	5,300	–	5,300
Other	<u>1,664</u>	<u>1,664</u>	<u>1,882</u>	<u>(218)</u>
Total expenditures	<u>210,164</u>	<u>210,164</u>	<u>189,027</u>	<u>21,137</u>
Revenues over expenditures	4,779	4,779	24,274	19,495
Fund balance, beginning of year	<u>5,798</u>	<u>5,798</u>	<u>10,261</u>	<u>4,463</u>
Fund balance, end of year	<u>\$ 10,577</u>	<u>\$ 10,577</u>	<u>\$ 34,535</u>	<u>\$ 23,958</u>

**CITY OF WINFIELD, KANSAS**

**SPECIAL STREETS AND HIGHWAY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 630,120	\$ 630,120	\$ 814,453	\$ 184,333
Interest earnings	–	–	955	955
Miscellaneous	16,550	16,550	9,070	(7,480)
Transfers in	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>	<u>–</u>
Total revenues	<u>931,670</u>	<u>931,670</u>	<u>1,109,478</u>	<u>177,808</u>
Expenditures:				
Personal services	390,218	390,218	436,158	(45,940)
Contractual services	42,100	42,100	54,750	(12,650)
Commodities	228,122	228,122	186,546	41,576
Capital outlay	122,000	122,000	64,730	57,270
Miscellaneous	<u>530</u>	<u>530</u>	<u>–</u>	<u>530</u>
Total expenditures	<u>782,970</u>	<u>782,970</u>	<u>742,184</u>	<u>40,786</u>
Revenues over expenditures	148,700	148,700	367,294	218,594
Fund balance, beginning of year	<u>80,197</u>	<u>80,197</u>	<u>107,712</u>	<u>27,515</u>
Fund balance, end of year	<u>\$ 228,897</u>	<u>\$ 228,897</u>	<u>\$ 475,006</u>	<u>\$ 246,109</u>

**CITY OF WINFIELD, KANSAS**

**INDUSTRIAL DEVELOPMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 13,758	\$ 13,758	\$ 13,589	\$ (169)
Interest earnings	75	75	8	(67)
Transfers in	<u>45,000</u>	<u>45,000</u>	<u>43,750</u>	<u>(1,250)</u>
Total revenues	<u>58,833</u>	<u>58,833</u>	<u>57,347</u>	<u>(1,486)</u>
Expenditures:				
Contractual services	12,450	12,450	6,173	6,277
Capital outlay	–	–	983	(983)
Other	50,845	50,845	55,185	(4,340)
Contingency	<u>26,400</u>	<u>26,400</u>	<u>–</u>	<u>26,400</u>
Total expenditures	<u>89,695</u>	<u>89,695</u>	<u>62,341</u>	<u>27,354</u>
Revenues over (under) expenditures	(30,862)	(30,862)	(4,994)	25,868
Fund balance, beginning of year	<u>33,974</u>	<u>33,974</u>	<u>5,164</u>	<u>(28,810)</u>
Fund balance, end of year	<u>\$ 3,112</u>	<u>\$ 3,112</u>	<u>\$ 170</u>	<u>\$ (2,942)</u>

# CITY OF WINFIELD, KANSAS

## CONVENTION AND TOURISM FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 105,000	\$ 105,000	\$ 97,115	\$ (7,885)
Interest earnings	300	300	113	(187)
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>3,831</u>	<u>1,831</u>
Total revenues	<u>107,300</u>	<u>107,300</u>	<u>101,059</u>	<u>(6,241)</u>
Expenditures:				
Personal services	334	334	–	334
Contractual services	58,380	58,380	53,296	5,084
Commodities	7,355	7,355	5,890	1,465
Capital outlay	10,000	10,000	12,947	(2,947)
Other	<u>57,500</u>	<u>57,500</u>	<u>51,362</u>	<u>6,138</u>
Total expenditures	<u>133,569</u>	<u>133,569</u>	<u>123,495</u>	<u>10,074</u>
Revenues over (under) expenditures	(26,269)	(26,269)	(22,436)	3,833
Fund balance, beginning of year	<u>27,105</u>	<u>27,105</u>	<u>36,744</u>	<u>9,639</u>
Fund balance, end of year	<u>\$ 836</u>	<u>\$ 836</u>	<u>\$ 14,308</u>	<u>\$ 13,472</u>

**CITY OF WINFIELD, KANSAS**

**FAIRGROUNDS IMPROVEMENTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 11,000	\$ 11,000	\$ 14,162	\$ 3,162
Miscellaneous	–	–	11	11
Interest earnings	<u>200</u>	<u>200</u>	<u>677</u>	<u>477</u>
Total revenues	<u>11,200</u>	<u>11,200</u>	<u>14,850</u>	<u>3,650</u>
Expenditures:				
Capital outlay	20,000	20,000	4,864	15,136
Contingency	<u>60,000</u>	<u>60,000</u>	<u>–</u>	<u>60,000</u>
Total expenditures	<u>80,000</u>	<u>80,000</u>	<u>4,864</u>	<u>75,136</u>
Revenues over (under) expenditures	(68,800)	(68,800)	9,986	78,786
Fund balance, beginning of year	<u>95,811</u>	<u>95,811</u>	<u>119,973</u>	<u>24,162</u>
Fund balance, end of year	<u>\$ 27,011</u>	<u>\$ 27,011</u>	<u>\$129,959</u>	<u>\$ 102,948</u>



**CITY OF WINFIELD, KANSAS**

**DRUG TASK FORCE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 15,000	\$ 15,000	\$ –	\$ (15,000)
Miscellaneous	10,000	10,000	–	(10,000)
Interest earnings	<u>40</u>	<u>40</u>	<u>–</u>	<u>(40)</u>
Total revenues	<u>25,040</u>	<u>25,040</u>	<u>–</u>	<u>(25,040)</u>
Expenditures:				
Contractual services	6,800	6,800	–	6,800
Commodities	9,100	9,100	–	9,100
Other	12,500	12,500	–	12,500
Transfers out	<u>–</u>	<u>–</u>	<u>13,513</u>	<u>(13,513)</u>
Total expenditures	<u>28,400</u>	<u>28,400</u>	<u>13,513</u>	<u>14,887</u>
Expenditures over revenues	(3,360)	(3,360)	(13,513)	(10,153)
Fund balance, beginning of year	<u>37,352</u>	<u>37,352</u>	<u>13,513</u>	<u>(23,839)</u>
Fund balance, end of year	<u>\$ 33,992</u>	<u>\$ 33,992</u>	<u>\$ –</u>	<u>\$ (33,992)</u>

**CITY OF WINFIELD, KANSAS**

**CEMETERY IMPROVEMENTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sale of lots	\$ 5,500	\$ 5,500	\$ 5,411	\$ (89)
Interest earnings	200	200	421	221
Miscellaneous	500	500	–	(500)
Transfers in	<u>25</u>	<u>25</u>	<u>32</u>	<u>7</u>
Total revenues	<u>6,225</u>	<u>6,225</u>	<u>5,864</u>	<u>(361)</u>
Expenditures:				
Commodities	6,500	6,500	1,824	4,676
Transfers out	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>–</u>
Total expenditures	<u>26,500</u>	<u>26,500</u>	<u>21,824</u>	<u>4,676</u>
Revenues over (under) expenditures	(20,275)	(20,275)	(15,960)	4,315
Fund balance, beginning of year	<u>55,251</u>	<u>55,251</u>	<u>76,959</u>	<u>21,708</u>
Fund balance, end of year	<u>\$ 34,976</u>	<u>\$ 34,976</u>	<u>\$ 60,999</u>	<u>\$ 26,023</u>

# CITY OF WINFIELD, KANSAS

## LIBRARY FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	<u>\$ 522,580</u>	<u>\$ 522,580</u>	<u>\$ 515,557</u>	<u>\$ (7,023)</u>
Expenditures:				
Appropriations to Library				
Board	511,420	511,420	510,613	807
Other	<u>6,219</u>	<u>6,219</u>	<u>7,026</u>	<u>(807)</u>
Total expenditures	<u>517,639</u>	<u>517,639</u>	<u>517,639</u>	<u>—</u>
Revenues over (under)				
expenditures	4,941	4,941	(2,082)	(7,023)
Fund balance,				
beginning of year	<u>—</u>	<u>—</u>	<u>10,398</u>	<u>10,398</u>
Fund balance, end of year	<u>\$ 4,941</u>	<u>\$ 4,941</u>	<u>\$ 8,316</u>	<u>\$ 3,375</u>

**CITY OF WINFIELD, KANSAS**

**ALCOHOL AND DRUG SAFETY ACTION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest earnings	\$ 8	\$ 8	\$ 3	\$ (5)
Transfers in	<u>200</u>	<u>200</u>	<u>165</u>	<u>(35)</u>
Total revenues	208	208	168	(40)
Expenditures:				
Commodities	<u>750</u>	<u>750</u>	<u>495</u>	<u>255</u>
Revenues over (under) expenditures	(542)	(542)	(327)	215
Fund balance, beginning of year	<u>836</u>	<u>836</u>	<u>921</u>	<u>85</u>
Fund balance, end of year	<u>\$ 294</u>	<u>\$ 294</u>	<u>\$ 594</u>	<u>\$ 300</u>

**CITY OF WINFIELD, KANSAS**

**STREETS – SALES TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Transfers in	\$ 715,483	\$ 715,413	\$894,202	\$ 178,789
Expenditures:				
Capital outlay	<u>210,000</u>	<u>715,413</u>	<u>674,150</u>	<u>41,263</u>
Revenues and other sources over expenditures	505,483	–	220,052	220,052
Fund balance, beginning of year	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Fund balance, end of year	<u>\$ 505,483</u>	<u>\$ –</u>	<u>\$220,052</u>	<u>\$ 220,052</u>

**CITY OF WINFIELD, KANSAS**

**STORMWATER DRAINAGE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 150,300	\$ 150,300	\$150,352	\$ 52
Interest earnings	<u>300</u>	<u>300</u>	<u>1,566</u>	<u>1,266</u>
Total revenues	<u>150,600</u>	<u>150,600</u>	<u>151,918</u>	<u>1,318</u>
Expenditures:				
Contractual services	51,200	51,200	450	50,750
Commodities	59,850	59,850	35,192	24,658
Capital outlay				
Transfers out	<u>20,000</u>	<u>20,000</u>	<u>70,000</u>	<u>(50,000)</u>
Total expenditures	<u>131,050</u>	<u>131,050</u>	<u>105,642</u>	<u>25,408</u>
Revenues and other sources over expenditures	19,550	19,550	46,276	26,726
Fund balance, beginning of year	<u>189,871</u>	<u>189,871</u>	<u>245,613</u>	<u>55,742</u>
Fund balance, end of year	<u>\$ 209,421</u>	<u>\$ 209,421</u>	<u>\$291,889</u>	<u>\$ 82,468</u>

**CITY OF WINFIELD, KANSAS**

**DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 702,403	\$ 702,403	\$ 693,036	\$ (9,367)
Special assessments	222,581	222,581	243,164	20,583
Intergovernmental	26,377	26,377	128,348	101,971
Interest earnings	550	550	12,106	11,556
Debt proceeds	700,000	700,000	–	(700,000)
Transfers in	<u>1,161,143</u>	<u>1,161,143</u>	<u>1,267,951</u>	<u>106,808</u>
Total revenues	<u>2,813,054</u>	<u>2,813,054</u>	<u>2,344,605</u>	<u>(468,449)</u>
Expenditures:				
Debt principal	1,605,000	1,605,000	1,760,000	(155,000)
Debt interest	953,932	953,932	431,252	522,680
Other	8,351	8,351	9,446	(1,095)
Debt issuance costs	20,000	20,000	–	20,000
Contingency	200,550	200,550	–	200,550
Transfers out	<u>700,000</u>	<u>700,000</u>	<u>–</u>	<u>700,000</u>
Total expenditures	<u>3,487,833</u>	<u>3,487,833</u>	<u>2,200,698</u>	<u>1,287,135</u>
Revenues over (under) expenditures	(674,779)	(674,779)	143,907	818,686
Fund balance, beginning of year	<u>682,004</u>	<u>682,004</u>	<u>434,258</u>	<u>(247,746)</u>
Fund balance, end of year	<u>\$ 7,225</u>	<u>\$ 7,225</u>	<u>\$ 578,165</u>	<u>\$ 570,940</u>

CITY OF WINFIELD, KANSAS

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2016

	Geometric KLINK Main Street	Library Parking Lot Improvements	Country Club Villa	2014 Capital Equipment	2016 KLINK	Hospital Improvements	Vaughn Tennis Center Project	Public Safety Needs Study	2015 EMS Ambulance
Cash and short-term investments	\$ -	\$ 66,607	\$ -	\$ 8,461	\$ -	\$ 867,583	\$ 73,360	\$ 10,578	\$ -
Accounts receivable	-	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 66,607	\$ -	\$ 8,461	\$ -	\$ 867,583	\$ 73,360	\$ 10,578	\$ -

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,200	\$ -	\$ -	\$ -
Due to other funds	199,575	-	10,833	-	-	-	-	-	-
Temporary notes payable	-	-	-	-	126,351	870,000	-	101,081	101,081
Total liabilities	199,575	-	10,833	-	126,351	875,200	-	101,081	101,081
Fund balances (deficit):									
Assigned:									
Capital projects	(199,575)	66,607	(10,833)	8,461	(126,351)	(7,617)	73,360	(90,503)	(101,081)
Total liabilities and fund balances	\$ -	\$ 66,607	\$ -	\$ 8,461	\$ -	\$ 867,583	\$ 73,360	\$ 10,578	\$ -



CITY OF WINFIELD, KANSAS

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS

December 31, 2016

<u>ASSETS</u>					Total Nonmajor Capital Project Funds
Cash and short-term investments					
Due from other funds	\$ 123,345	\$ 146,137	\$ 97,770	\$ 19,687	\$ 1,734,396
	<u>210,408</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,408</u>
Total assets	\$ 333,753	\$ 146,137	\$ 97,770	\$ 19,687	\$ 1,944,804
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ 3,418	\$ -	\$ 3,364	\$ 14,429
Due to other funds	-	-	-	-	210,408
Temporary notes payable	<u>404,325</u>	<u>203,883</u>	<u>101,081</u>	<u>101,081</u>	<u>2,330,000</u>
Total liabilities	404,325	207,301	101,081	104,445	2,554,837
Fund balances (deficit):					
Assigned:					
Capital projects	<u>(70,572)</u>	<u>(61,164)</u>	<u>(3,311)</u>	<u>(84,758)</u>	<u>(610,033)</u>
Total liabilities and fund balances	\$ 333,753	\$ 146,137	\$ 97,770	\$ 19,687	\$ 1,944,804

CITY OF WINFIELD, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS

Year ended December 31, 2016

	Geometric KLINK Main Street	Library Parking Lot Improvements	Country Club Villa	2014 Capital Equipment	2016 KLINK	Hospital Improvements	Vaughn Tennis Center Project	Public Safety Needs Study	2015 EMS Ambulance
Revenues:									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 130,155	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-	51,406	-	-
Total revenues	-	-	-	-	130,155	-	51,406	-	-
Expenditures:									
General government	-	-	-	40,000	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	14,327	201,785
Public works	3,000	-	9,573	-	256,506	-	-	-	-
Culture and recreation	-	67,893	-	-	-	7,617	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Total expenditures	3,000	67,893	9,573	40,000	256,506	7,617	-	14,327	201,785
Revenues over (under) expenditures	(3,000)	(67,893)	(9,573)	(40,000)	(126,351)	(7,617)	51,406	(14,327)	(201,785)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	100,704
Transfers out	-	-	-	-	-	-	(48,000)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(48,000)	-	100,704
Net change in fund balance	(3,000)	(67,893)	(9,573)	(40,000)	(126,351)	(7,617)	3,406	(14,327)	(101,081)
Fund balances (deficit), beginning of year	(196,575)	134,500	(1,260)	48,461	-	-	69,954	(76,176)	-
Fund balances (deficit), end of year	\$ (199,575)	\$ 66,607	\$ (10,833)	\$ 8,461	\$ (126,351)	\$ (7,617)	\$ 73,360	\$ (90,503)	\$ (101,081)

CITY OF WINFIELD, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS

Year ended December 31, 2016

	12 <sup>th</sup> Avenue Project	14 <sup>th</sup> Avenue Bridge	Baden Center Building Improvements	2016 Technology Upgrades	2017 KLINK	Total Nonmajor Capital Project Funds
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,155
Miscellaneous	-	-	-	-	-	51,406
Total revenues	-	-	-	-	-	181,561
Expenditures:						
General government	-	-	-	84,758	-	124,758
Public safety	-	-	-	-	-	216,112
Public works	61,407	61,164	-	-	2,696	394,346
Culture and recreation	-	-	3,311	-	-	71,204
Health and welfare	-	-	-	-	-	7,617
Total expenditures	61,407	61,164	3,311	84,758	2,696	814,037
Revenues over (under) expenditures	(61,407)	(61,164)	(3,311)	(84,758)	(2,696)	(632,476)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	100,704
Transfers out	-	-	-	-	-	(48,000)
Total other financing sources (uses)	-	-	-	-	-	52,704
Net change in fund balance	(61,407)	(61,164)	(3,311)	(84,758)	(2,696)	(579,772)
Fund balances (deficit), beginning of year	(9,165)	-	-	-	-	(30,261)
Fund balances (deficit), end of year	\$ (70,572)	\$ (61,164)	\$ (3,311)	\$ (84,758)	\$ (2,696)	\$ (610,033)

## **ENTERPRISE FUNDS**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The fund measure focus is upon determination of net income, financial position and change in financial position. The following Enterprise Funds are reported:

**Electric Utility** - to account for the operations and maintenance of the City's electric generation and distribution system. The City purchases electricity and maintains a 65 KW generation capacity. Electric service is provided to approximately 7,500 meters both within the City and in surrounding areas, and sold wholesale to neighboring towns. Financing is provided by user charges.

**Gas Utility** - to account for the operations and maintenance of the City's gas distribution system. The City purchases natural gas and provides service to approximately 5,200 customers. Financing is provided by user charges.

**Water Utility** - to account for the operation and maintenance of the City's water treatment plant and water distribution system. The Winfield City Lake provides adequate quality water supply to Winfield citizens providing water to approximately 5,200 meters. The City also provides water to five rural water districts and one neighboring town. Financing is provided by user charges.

**Wastewater Utility** - to account 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 to approximately 5,000 households. Financing is provided by user charges.

**Refuse** -- 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 and maintenance, financing and related debt service, and capital improvements. In addition, a prorata portion of administration, utility billings and collection expenses are charged to this fund from the Management Services Fund. Financing is provided by user charges.

**Quail Ridge Golf Course** - to account for the operations and maintenance of the City's eighteen hole golf course owned and operated by the City. The golf course revenues consist of memberships, round fees, cart rentals and driving range fees.

## CITY OF WINFIELD, KANSAS

## COMBINING BALANCE SHEET – NONMAJOR ENTERPRISE FUNDS

December 31, 2016

	<u>Refuse</u>	<u>Quail Ridge Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and short-term investments	\$ 720,348	\$ 33,480	\$ 753,828
Accounts receivable, net	136,668	300	136,968
Inventories	—	26,378	26,378
Total current assets	<u>857,016</u>	<u>60,158</u>	<u>917,174</u>
Noncurrent assets:			
Land	3,503	399,949	403,452
Buildings	60,157	514,636	574,793
Improvements other than buildings	84,042	2,575,736	2,659,778
Machinery and equipment	1,402,265	570,901	1,973,166
Less accumulated depreciation	<u>(1,049,379)</u>	<u>(3,036,007)</u>	<u>(4,085,386)</u>
Total noncurrent assets	<u>500,588</u>	<u>1,025,215</u>	<u>1,525,803</u>
Other assets:			
Advance to other funds	7,620	—	7,620
Investment in joint venture	<u>38,553</u>	<u>—</u>	<u>38,553</u>
Total other assets	<u>46,173</u>	<u>—</u>	<u>46,173</u>
Total assets	<u>1,403,777</u>	<u>1,085,373</u>	<u>2,489,150</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflows related to pensions	<u>64,165</u>	<u>26,085</u>	<u>90,250</u>
<b><u>LIABILITIES</u></b>			
Liabilities:			
Current liabilities:			
Accounts payable	54,907	20,900	75,807
Accrued wages payable	13,047	5,331	18,378
Current portion of compensated absences payable	16,540	—	16,540
Current portion of long-term debt payable	<u>33,219</u>	<u>—</u>	<u>33,219</u>
Total current liabilities	<u>117,713</u>	<u>26,231</u>	<u>143,944</u>
Noncurrent liabilities:			
Long-term portion of accrued compensated absences payable	10,106	5,365	15,471
Net OPEB obligation payable	24,823	9,727	34,550
Net pension liability	<u>276,550</u>	<u>112,463</u>	<u>389,013</u>
Total noncurrent liabilities	<u>311,479</u>	<u>127,555</u>	<u>439,034</u>
Total liabilities	<u>429,192</u>	<u>153,786</u>	<u>582,978</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows related to pensions	<u>14,411</u>	<u>5,867</u>	<u>20,278</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	467,369	1,025,215	1,492,584
Unrestricted	<u>556,970</u>	<u>(73,410)</u>	<u>483,560</u>
Total net position	<u>\$ 1,024,339</u>	<u>\$ 951,805</u>	<u>\$ 1,976,144</u>

**CITY OF WINFIELD, KANSAS**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION- NONMAJOR ENTERPRISE FUNDS**

**December 31, 2016**

	<u>Refuse</u>	<u>Quail Ridge Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating revenues:			
Charges for services and sales	\$ 1,340,941	\$ 330,211	\$ 1,671,152
Other	<u>25,781</u>	<u>-</u>	<u>25,781</u>
Total operating revenues	<u>1,366,722</u>	<u>330,211</u>	<u>1,696,933</u>
Operating expenses:			
Services and supplies	1,229,860	514,797	1,744,657
Depreciation	<u>99,293</u>	<u>66,583</u>	<u>165,876</u>
Total operating expenses	<u>1,329,153</u>	<u>581,380</u>	<u>1,910,533</u>
Revenues over (under) expenses	<u>37,569</u>	<u>(251,169)</u>	<u>(213,600)</u>
Nonoperating revenues (expenses):			
Interest income	4,247	-	4,247
Gain on joint venture	<u>1,028</u>	<u>-</u>	<u>1,028</u>
Total nonoperating revenues (expenses)	<u>5,275</u>	<u>-</u>	<u>5,275</u>
Income (loss) before transfers	42,844	(251,169)	(208,325)
Transfers in	-	254,425	254,425
Transfers out	<u>(120,635)</u>	<u>-</u>	<u>(120,635)</u>
Change in net position	(77,791)	3,256	(74,535)
Net position, beginning of year	<u>1,102,130</u>	<u>948,549</u>	<u>2,050,679</u>
Net position, end of year	<u>\$ 1,024,339</u>	<u>\$ 951,805</u>	<u>\$ 1,976,144</u>

**CITY OF WINFIELD, KANSAS**  
**COMBINING STATEMENT OF CASH FLOWS –**  
**NONMAJOR ENTERPRISE FUNDS**

**December 31, 2016**

	<u>Refuse</u>	<u>Quail Ridge Golf Course</u>	<u>Total Nonmajor Enterprise Funds</u>
Cash flows from operating activities:			
Receipts from customers	\$ 1,338,824	\$ 329,912	\$ 1,668,736
Other receipts	25,781	–	25,781
Payments to suppliers and providers	(729,100)	(232,665)	(961,765)
Payments to employees for salaries and benefits	(502,775)	(282,789)	(785,564)
Net cash provided by (used for) operations	<u>132,730</u>	<u>(185,542)</u>	<u>(52,812)</u>
Cash flows from capital and related financing activities:			
Proceeds from capital lease obligation	37,274	–	37,274
Debt service principal	(4,055)	–	(4,055)
Acquisition of capital assets	(86,321)	(45,060)	(131,381)
Net cash provided (used) by capital and related financing activities	<u>(53,102)</u>	<u>(45,060)</u>	<u>(98,162)</u>
Cash flows noncapital financing activities:			
Transfers in	–	254,425	254,425
Transfers out	(120,635)	–	(120,635)
Net cash provided by (used for) noncapital financing activities	<u>(120,635)</u>	<u>254,425</u>	<u>133,790</u>
Cash flows from investing activities:			
Interest income	4,247	–	4,247
Net increase (decrease) in cash and cash equivalents	(36,760)	23,823	(12,937)
Cash and cash equivalents, beginning of year	757,108	9,657	766,765
Cash and cash equivalents, end of year	<u>\$ 720,348</u>	<u>\$ 33,480</u>	<u>\$ 753,828</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 37,569	\$ (251,169)	\$ (213,600)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	99,293	66,583	165,876
(Increase) decrease in accounts receivable	(2,117)	(300)	(2,417)
(Increase) decrease in inventories	–	(1,476)	(1,476)
(Increase) decrease in deferred outflows of resources related to pensions	(39,605)	(16,493)	(56,098)
Increase (decrease) in accounts payable	(399)	(2,274)	(2,673)
Increase (decrease) in accrued wages payable	70	(1,064)	(994)
Increase (decrease) in compensated absences payable	(11,049)	(2,672)	(13,721)
Increase (decrease) in deferred inflows of resources related to pensions	(6,975)	(2,486)	(9,461)
Increase (decrease) in OPEB liability payable	3,394	833	4,227
Increase (decrease) in net pension liability payable	52,549	24,976	77,525
Net cash provided (used) by operating activities	<u>\$ 132,730</u>	<u>\$ (185,542)</u>	<u>\$ (52,812)</u>

**CITY OF WINFIELD, KANSAS**

**ELECTRIC UTILITY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$28,761,520	\$28,761,520	\$ 27,290,563	\$ (1,470,957)
Use of money and property	21,000	21,000	15,946	(5,054)
Miscellaneous	10,500	10,500	189,167	178,667
Transfers in	<u>—</u>	<u>—</u>	<u>560,000</u>	<u>560,000</u>
 Total revenues	<u>28,793,020</u>	<u>28,793,020</u>	<u>28,055,676</u>	<u>(737,344)</u>
<b>Expenditures and encumbrances:</b>				
Personal services	2,004,946	2,004,946	2,174,811	(169,865)
Contractual services	634,175	634,175	569,396	64,779
Commodities	2,104,226	2,104,226	2,146,789	(42,563)
Purchased energy	20,768,750	20,768,750	19,830,279	938,471
Capital outlay	729,800	729,800	667,249	62,551
Miscellaneous	15,750	15,750	6,649	9,101
Transfers out	<u>2,853,000</u>	<u>2,853,000</u>	<u>3,253,421</u>	<u>(400,421)</u>
 Total expenditures and encumbrances	<u>29,110,647</u>	<u>29,110,647</u>	<u>28,648,594</u>	<u>462,053</u>
 Revenues over (under) expenditures and encumbrances	(317,627)	(317,627)	(592,918)	(275,291)
Fund balance, beginning of year	<u>704,506</u>	<u>704,506</u>	<u>938,124</u>	<u>233,618</u>
 Fund balance, end of year	<u>\$ 386,879</u>	<u>\$ 386,879</u>	<u>\$ 345,206</u>	<u>\$ (41,673)</u>



# CITY OF WINFIELD, KANSAS

## GAS UTILITY FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year Ended December 31, 2016

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$5,625,000	\$5,625,000	\$3,108,937	\$(2,516,063)
Use of money and property	2,750	2,750	6,314	3,564
Miscellaneous	<u>2,250</u>	<u>2,250</u>	<u>10,100</u>	<u>7,850</u>
Total revenues	<u>5,630,000</u>	<u>5,630,000</u>	<u>3,125,351</u>	<u>(2,504,649)</u>
Expenditures and encumbrances:				
Personal services	594,227	594,227	649,227	(55,000)
Contractual services	64,000	64,000	48,581	15,419
Commodities	816,904	816,904	727,829	89,075
Purchased energy	3,100,000	3,100,000	1,608,268	1,491,732
Capital outlay	107,000	107,000	43,869	63,131
Miscellaneous	5,900	5,900	3,281	2,619
Transfers out	<u>787,300</u>	<u>787,300</u>	<u>389,883</u>	<u>397,417</u>
Total expenditures and encumbrances	<u>5,475,331</u>	<u>5,475,331</u>	<u>3,470,938</u>	<u>2,004,393</u>
Revenues over (under) expenditures and encumbrances	154,669	154,669	(345,587)	(500,256)
Fund balance, beginning of year	<u>361,453</u>	<u>361,453</u>	<u>410,363</u>	<u>48,910</u>
Fund balance, end of year	<u>\$ 516,122</u>	<u>\$ 516,122</u>	<u>\$ 64,776</u>	<u>\$ (451,346)</u>

**CITY OF WINFIELD, KANSAS**

**WATER UTILITY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$2,641,000	\$2,641,000	\$2,315,258	\$ (325,742)
Use of money and property	14,000	14,000	223	(13,777)
Miscellaneous	2,311	2,311	21,667	19,356
Transfers in	<u>65,000</u>	<u>65,000</u>	<u>137,500</u>	<u>72,500</u>
 Total revenues	 <u>2,722,311</u>	 <u>2,722,311</u>	 <u>2,474,648</u>	 <u>(247,663)</u>
<b>Expenditures and encumbrances:</b>				
Personal services	820,541	820,541	743,950	76,591
Contractual services	211,225	211,225	231,442	(20,217)
Commodities	638,524	638,524	594,889	43,635
Capital outlay	124,000	124,000	147,853	(23,853)
Miscellaneous	22,550	22,550	20,670	1,880
Transfers out	<u>748,442</u>	<u>748,442</u>	<u>792,502</u>	<u>(44,060)</u>
 Total expenditures, and encumbrances	 <u>2,565,282</u>	 <u>2,565,282</u>	 <u>2,531,306</u>	 <u>33,976</u>
 Revenues over (under) expenditures and encumbrances	 157,029	 157,029	 (56,658)	 (213,687)
Fund balance, beginning of year	<u>(157,029)</u>	<u>(157,029)</u>	<u>48,583</u>	<u>205,612</u>
 Fund balance, end of year	 <u>\$ —</u>	 <u>\$ —</u>	 <u>\$ (8,075)</u>	 <u>\$ (8,075)</u>

\*

\* – Per K.S.A. 10-1116(b), the amount of indebtedness incurred by an enterprise fund may not exceed 100% of the accrued revenues of the current fiscal year. The Water Utility Fund had accounts receivable at December 31, 2016 of \$240,242.

**CITY OF WINFIELD, KANSAS**

**WASTEWATER UTILITY FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$2,093,180	\$2,101,180	\$1,974,367	\$ (126,813)
Use of money and property	–	–	989	989
Miscellaneous	<u>7,150</u>	<u>7,150</u>	<u>11,945</u>	<u>4,795</u>
<b>Total revenues</b>	<u>2,100,330</u>	<u>2,108,330</u>	<u>1,987,301</u>	<u>(121,029)</u>
<b>Expenditures and encumbrances:</b>				
Personal services	688,734	688,734	704,348	(15,614)
Contractual services	262,731	262,731	317,845	(55,114)
Commodities	311,891	319,891	252,287	67,604
Capital outlay	230,800	230,800	203,432	27,368
Miscellaneous	950	950	836	114
Debt service	548,238	548,238	548,238	–
Transfers out	<u>100,000</u>	<u>100,000</u>	<u>80,000</u>	<u>20,000</u>
<b>Total expenditures, and encumbrances</b>	<u>2,143,344</u>	<u>2,151,344</u>	<u>2,106,986</u>	<u>44,358</u>
<b>Revenues over (under) expenditures and encumbrances</b>	(43,014)	(43,014)	(119,685)	(76,671)
<b>Fund balance, beginning of year</b>	<u>268,089</u>	<u>268,089</u>	<u>218,125</u>	<u>(49,964)</u>
<b>Fund balance, end of year</b>	<u>\$ 225,075</u>	<u>\$ 225,075</u>	<u>\$ 98,440</u>	<u>\$ (126,635)</u>

# CITY OF WINFIELD, KANSAS

## REFUSE FUND

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – BUDGETARY BASIS

Year Ended December 31, 2016

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$1,340,000	\$1,364,000	\$1,336,232	\$ (27,768)
Use of money and property	1,800	1,800	4,247	2,447
Miscellaneous	<u>14,800</u>	<u>14,800</u>	<u>27,844</u>	<u>13,044</u>
Total revenues	<u>1,356,600</u>	<u>1,380,600</u>	<u>1,368,323</u>	<u>(12,277)</u>
<b>Expenditures and encumbrances:</b>				
Personal services	481,513	481,513	501,159	(19,646)
Contractual services	317,385	317,385	320,963	(3,578)
Commodities	428,509	428,509	412,314	16,195
Capital outlay	57,000	57,000	43,749	13,251
Miscellaneous	925	925	1,199	(274)
Transfers out	<u>90,700</u>	<u>114,700</u>	<u>120,635</u>	<u>(5,935)</u>
Total expenditures, and encumbrances	<u>1,376,032</u>	<u>1,400,032</u>	<u>1,400,019</u>	<u>13</u>
Revenues over (under) expenditures and encumbrances	(19,432)	(19,432)	(31,696)	(12,264)
Fund balance, beginning of year	<u>783,844</u>	<u>783,844</u>	<u>682,720</u>	<u>(101,124)</u>
Fund balance, end of year	<u>\$ 764,412</u>	<u>\$ 764,412</u>	<u>\$ 651,024</u>	<u>\$ (113,388)</u>

**CITY OF WINFIELD, KANSAS**

**QUAIL RIDGE GOLF COURSE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$ 426,000	\$ 426,000	\$ 309,675	\$ (116,325)
Use of money and property	1,000	1,000	–	(1,000)
Transfers in	<u>220,000</u>	<u>220,000</u>	<u>254,375</u>	<u>34,375</u>
 Total revenues	 <u>647,000</u>	 <u>647,000</u>	 <u>564,050</u>	 <u>(82,950)</u>
<b>Expenditures and encumbrances:</b>				
Personal services	298,178	298,178	285,883	12,295
Contractual services	90,162	90,162	78,090	12,072
Commodities	190,724	190,724	166,541	24,183
Capital outlay	63,000	63,000	26,104	36,896
Miscellaneous	<u>2,165</u>	<u>2,165</u>	<u>559</u>	<u>1,606</u>
 Total expenditures, and encumbrances	 <u>644,229</u>	 <u>644,229</u>	 <u>557,177</u>	 <u>87,052</u>
 Revenues over expenditures And encumbrances	 2,771	 2,771	 6,873	 4,102
Fund balance, beginning of year	<u>47,720</u>	<u>47,720</u>	<u>376</u>	<u>(47,344)</u>
 Fund balance, end of year	 <u>\$ 50,491</u>	 <u>\$ 50,491</u>	 <u>\$ 7,249</u>	 <u>\$ (43,242)</u>

## **INTERNAL SERVICE FUNDS**

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. The following Internal Service Funds are reported:

**Management Services** – a cost center for the City's 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.

**Operation Center** – a cost center for the City's 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 a square footage basis. The Service Center charges other departments based on usage.

**Risk Management Reserve** – 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 substantial areas of risk, including property loss, auto liability, boiler and machinery and 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** – accounts for all workers' compensation-related claims, judgments and expenses through September 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. Fund 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** – created to eventually fund a partially self-insured health insurance program. The fund currently is used to pay a portion of the employee health insurance premiums.

**Short Term Disability Reserve** – used to provide short-term disability for up to twenty-six week of financial assistance to City full-time employees following sixty days of continuous disability.

**CITY OF WINFIELD, KANSAS**  
**COMBINING BALANCE SHEET – INTERNAL SERVICE FUNDS**  
(continued on next page)

December 31, 2016

	Management Services	Operations Center	Risk Management Reserve	Workers' Compensation Reserve	Health Insurance Reserve	Short-Term Disability Reserve	Total Internal Service Funds
<b><u>ASSETS</u></b>							
Current assets:							
Cash and short-term investments	\$ 101,716	\$ 22,519	\$ 412,477	\$ 83,158	\$ 153,316	\$ 209,211	\$ 982,397
Accounts receivable, net	29,889	-	-	-	-	-	29,889
Prepaid insurance	-	-	-	-	34,063	-	34,063
Inventories	23,775	88,447	-	-	-	-	112,222
Total current assets	155,380	110,966	412,477	83,158	187,379	209,211	1,158,571
Noncurrent assets:							
Land	-	6,500	-	-	-	-	6,500
Buildings and improvements	297,677	1,951,513	-	-	-	-	2,249,190
Machinery and equipment	1,656,756	409,293	-	-	-	-	2,066,049
Less accumulated depreciation	(1,640,612)	(1,282,450)	-	-	-	-	(2,923,062)
Total noncurrent assets	313,821	1,084,856	-	-	-	-	1,398,677
Total assets	469,201	1,195,822	412,477	83,158	187,379	209,211	2,557,248
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>							
Deferred outflows related to pensions	327,482	29,717	-	-	-	-	357,199
<b><u>LIABILITIES</u></b>							
Current liabilities:							
Accounts payable	28,206	10,360	-	31,393	-	-	69,959
Accrued payroll payable	66,426	11,816	-	-	-	-	78,242
Current portion of compensated absences payable	81,952	9,220	-	-	-	-	91,172
Total current liabilities	176,584	31,396	-	31,393	-	-	239,373
Noncurrent liabilities:							
Long-term portion of compensated absences payable	100,974	7,721	-	-	-	-	108,695
Net OPEB liability	125,275	19,892	-	-	-	-	145,167
Net pension liability	1,411,440	219,175	-	-	-	-	1,630,615
Advances from other funds	-	70,000	-	-	-	-	70,000
Total noncurrent liabilities	1,637,689	316,788	-	-	-	-	1,954,477
Total liabilities	1,814,273	348,184	-	31,393	-	-	2,193,850
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>							
Deferred inflows related to pensions	73,550	11,421	-	-	-	-	84,971
<b><u>NET POSITION</u></b>							
Net investment in capital assets	313,821	956,040	-	-	-	-	1,269,861
Unrestricted (deficit)	(1,404,961)	(90,106)	412,477	51,765	187,379	209,211	(634,235)
Total net position (deficit)	\$ (1,091,140)	\$ 865,934	\$ 412,477	\$ 51,765	\$ 187,379	\$ 209,211	\$ 635,626

## CITY OF WINFIELD, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - INTERNAL SERVICE FUNDS

Year ended December 31, 2016

	Management Services	Operations Center	Risk Management Reserve	Workers' Compensation Reserve	Health Insurance Reserve	Short-Term Disability Reserve	Total Internal Service Funds
Operating revenues:							
Charges for services	\$ 3,162,460	\$ 559,442	\$ -	\$ 187,950	\$ 2,075,759	\$ 16	\$ 5,985,627
Other	<u>43,580</u>	<u>966</u>	<u>31,650</u>	<u>14,520</u>	<u>-</u>	<u>-</u>	<u>90,716</u>
Total operating revenues	<u>3,206,040</u>	<u>560,408</u>	<u>31,650</u>	<u>202,470</u>	<u>2,075,759</u>	<u>16</u>	<u>6,076,343</u>
Operating expenses:							
Administration	3,190,497	538,316	-	-	-	-	3,728,813
Premiums and claims	-	-	459,783	211,592	1,999,737	-	2,671,112
Depreciation	<u>66,968</u>	<u>56,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,384</u>
Total operating expenses	<u>3,257,465</u>	<u>594,732</u>	<u>459,783</u>	<u>211,592</u>	<u>1,999,737</u>	<u>-</u>	<u>6,523,309</u>
Operating income (loss)	(51,425)	(34,324)	(428,133)	(9,122)	76,022	16	(446,966)
Nonoperating revenues (expenses):							
Interest income	<u>-</u>	<u>-</u>	<u>2,739</u>	<u>128</u>	<u>9</u>	<u>1,106</u>	<u>3,982</u>
Income (loss) before transfers	(51,425)	(34,324)	(425,394)	(8,994)	76,031	1,122	(442,984)
Transfers out	<u>-</u>	<u>(24,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,000)</u>
Change in net position	(51,425)	(58,324)	(425,394)	(8,994)	76,031	1,122	(466,984)
Net position (deficit), beginning of year	<u>(1,039,715)</u>	<u>924,258</u>	<u>837,871</u>	<u>60,759</u>	<u>111,348</u>	<u>208,089</u>	<u>1,102,610</u>
Net position (deficit), end of year	<u><u>\$ (1,091,140)</u></u>	<u><u>\$ 865,934</u></u>	<u><u>\$ 412,477</u></u>	<u><u>\$ 51,765</u></u>	<u><u>\$ 187,379</u></u>	<u><u>\$ 209,211</u></u>	<u><u>\$ 635,626</u></u>



## CITY OF WINFIELD, KANSAS

## COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS

Year ended December 31, 2016

	Management Services	Operations Center	Risk Management Reserve	Workers' Compensation Reserve	Health Insurance Reserve	Short-Term Disability Reserve	Total Internal Service Funds
Cash flows from operating activities:							
Receipts from interfund charges	\$ 3,167,677	\$ 559,442	\$ —	\$ 187,950	\$ 2,075,759	\$ 16	\$ 5,990,844
Other receipts	43,580	966	31,650	14,520	—	—	90,716
Payments to suppliers and providers	(824,106)	(124,571)	(459,783)	(211,592)	(2,033,800)	—	(3,653,852)
Payments to employees for salaries and benefits	(2,376,557)	(353,464)	—	—	—	—	(2,730,021)
Net cash provided by (used for) operations	10,594	82,373	(428,133)	(9,122)	41,959	16	(302,313)
Cash flows from capital and related financing activities:							
Acquisition of capital assets	(13,354)	(35,704)	—	—	—	—	(49,058)
Cash flows from noncapital financing activities:							
Transfers out	—	(39,933)	—	—	—	—	(39,933)
Cash flows from investing activities:							
Interest income	—	—	2,739	128	9	1,106	3,982
Net increase (decrease) in cash and cash equivalents	(2,760)	6,736	(425,394)	(8,994)	41,968	1,122	(387,322)
Cash and cash equivalents, beginning of year	104,476	15,783	837,871	92,152	111,348	208,089	1,369,719
Cash and cash equivalents, end of year	\$ 101,716	\$ 22,519	\$ 412,477	\$ 83,158	\$ 153,316	\$ 209,211	\$ 982,397
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (51,425)	\$ (18,391)	\$ (428,133)	\$ (9,122)	\$ 76,022	\$ 16	\$ (431,033)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation	66,968	56,416	—	—	—	—	123,384
(Increase) decrease in accounts receivable	104	—	—	—	—	—	104
(Increase) decrease in inventories	(618)	14,823	—	—	—	—	14,205
(Increase) decrease in prepaid expenses	—	—	—	—	(34,063)	—	(34,063)
(Increase) decrease in deferred outflows of resources related to pensions	(199,636)	(9,148)	—	—	—	—	(208,784)
Increase (decrease) in accounts payable	7,696	4,525	—	—	—	—	12,221
Increase (decrease) in accrued wages payable	(2,711)	1,310	—	—	—	—	(1,401)
Increase (decrease) in compensated absences payable	(26,742)	5,849	—	—	—	—	(20,893)
Increase (decrease) in deferred inflows of resources related to pensions	(37,776)	(6,490)	—	—	—	—	(44,266)
Increase (decrease) in OPEB Liability payable	9,343	1,908	—	—	—	—	11,251
Increase (decrease) in net pension liability payable	245,391	31,571	—	—	—	—	276,962
Net cash provided (used) by operating activities	\$ 10,594	\$ 82,373	\$ (428,133)	\$ (9,122)	\$ 41,959	\$ 16	\$ (302,313)

**CITY OF WINFIELD, KANSAS**

**MANAGEMENT SERVICES FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$3,090,667	\$3,304,308	\$3,168,722	\$ (135,586)
Miscellaneous	<u>38,616</u>	<u>38,616</u>	<u>40,920</u>	<u>2,304</u>
Total revenues	<u>3,129,283</u>	<u>3,342,924</u>	<u>3,209,642</u>	<u>(133,282)</u>
<b>Expenditures, encumbrances and other uses:</b>				
Personal services	2,266,048	2,266,048	2,354,592	(88,544)
Contractual services	576,417	790,058	659,740	130,318
Commodities	180,335	180,335	147,220	33,115
Capital outlay	26,650	26,650	18,062	8,588
Miscellaneous	43,800	43,800	28,894	14,906
Contingency	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures, encumbrances and other uses	<u>3,094,250</u>	<u>3,307,891</u>	<u>3,208,508</u>	<u>99,383</u>
Revenues over (under) expenditures, encumbrances and other uses	35,033	35,033	1,134	(33,899)
Fund balance, beginning of year	<u>13,234</u>	<u>13,234</u>	<u>2</u>	<u>(13,232)</u>
Fund balance, end of year	<u>\$ 48,267</u>	<u>\$ 48,267</u>	<u>\$ 1,136</u>	<u>\$ (47,131)</u>

**CITY OF WINFIELD, KANSAS**

**OPERATIONS CENTER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL –  
BUDGETARY BASIS**

**Year Ended December 31, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$ 630,017	\$ 630,017	\$ 559,443	\$ (70,574)
Miscellaneous	<u>—</u>	<u>—</u>	<u>966</u>	<u>966</u>
Total revenues	<u>630,017</u>	<u>630,017</u>	<u>560,409</u>	<u>(69,608)</u>
<b>Expenditures, encumbrances and other uses:</b>				
Personal services	375,744	375,744	378,464	(2,720)
Contractual services	122,970	122,970	94,758	28,212
Commodities	70,847	70,847	24,684	46,163
Capital outlay	60,000	60,000	37,054	22,946
Miscellaneous	1,700	1,700	1,107	593
Transfers out	<u>10,000</u>	<u>10,000</u>	<u>24,000</u>	<u>(14,000)</u>
Total expenditures, encumbrances and other uses	<u>641,261</u>	<u>641,261</u>	<u>560,067</u>	<u>81,194</u>
Revenues over (under) expenditures, encumbrances and other uses	(11,244)	(11,244)	342	11,586
Fund balance, beginning of year	<u>11,667</u>	<u>11,667</u>	<u>1</u>	<u>(11,666)</u>
Fund balance, end of year	<u>\$ 423</u>	<u>\$ 423</u>	<u>\$ 343</u>	<u>\$ (80)</u>

### **FIDUCIARY FUNDS**

Fiduciary Funds are used to report assets held in a trustee or agent capacity for others and, therefore, are not used to support the government's own programs. The following Fiduciary Fund is reported:

#### **AGENCY FUNDS:**

**Payroll Clearing** - to account for moneys held on behalf of City employees' payroll for related payroll taxes, retirement contributions, insurance and other authorized withholdings by City employees.

**Sales Tax** – to account for sales tax collected and to be remitted to the State of Kansas.

**Flexible Medical** - to account for moneys held on behalf of City employees' payroll for reimbursement of qualifying medical expenses by City employees.

**CITY OF WINFIELD, KANSAS**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS  
(continued on next page)**

**Year ended December 31, 2016**

	<u>Balance January 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2016</u>
<b><u>PAYROLL CLEARING FUND</u></b>				
<b><u>ASSETS</u></b>				
Cash and short-term investments	\$ 202,495	\$ 14,320,804	\$ 14,321,086	\$ 202,213
<b><u>LIABILITIES</u></b>				
Accrued liabilities payable	\$ 202,495	\$ 14,320,804	\$ 14,321,086	\$ 202,213
<b><u>SALES TAX FUND</u></b>				
<b><u>ASSETS</u></b>				
Cash and short-term investments	\$ 178,687	\$ 927,953	\$ 1,106,640	\$ –
Other receivables	122,434	1,007,682	1,039,442	90,674
	<u>\$ 301,121</u>	<u>\$ 1,935,635</u>	<u>\$ 2,146,082</u>	<u>\$ 90,674</u>
<b><u>LIABILITIES</u></b>				
Accrued liabilities payable	\$ 301,121	\$ 2,681,790	\$ 2,892,237	\$ 90,674
<b><u>FLEX MEDICAL FUND</u></b>				
<b><u>ASSETS</u></b>				
Cash and short-term investments	\$ 27,980	\$ 205,312	\$ 206,265	\$ 27,027
<b><u>LIABILITIES</u></b>				
Accrued liabilities payable	\$ 27,980	\$ 205,312	\$ 206,265	\$ 27,027

**CITY OF WINFIELD, KANSAS**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –  
ALL AGENCY FUNDS**

**(continued from previous page)**

**Year ended December 31, 2016**

	Balance January 1, <u>2016</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2016</u>
<b><u>TOTALS –</u></b>				
<b><u>ALL AGENCY FUNDS</u></b>				
<b><u>ASSETS</u></b>				
Cash and short-term investments	\$ 409,162	\$ 15,454,069	\$ 15,633,991	\$ 229,240
Other receivables	<u>122,434</u>	<u>1,007,682</u>	<u>1,039,442</u>	<u>90,674</u>
Total assets	<u>\$ 531,596</u>	<u>\$ 16,461,751</u>	<u>\$ 16,673,433</u>	<u>\$ 319,914</u>
<b><u>LIABILITIES</u></b>				
Accrued liabilities payable	<u>\$ 531,596</u>	<u>\$ 17,207,906</u>	<u>\$ 17,419,588</u>	<u>\$ 319,914</u>

## **COMPONENT UNITS**

### **Winfield Public Library**

The Winfield Public Library is reported as a discretely presented component unit within the financial statements of the City of Winfield (the reporting entity) to emphasize its separate legal status. The Winfield Public Library Board is appointed by the City Council and operates the public library of the City. The Library Board taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy. These taxes are accounted for in the Library special revenue fund of the City. The Library Board also receives funding through state assistance programs, fines and donations from the public.

### **Winfield Housing Authority**

The Winfield Housing Authority was created in 1978 as an agent of the City under K.S.A. 17-2340. The City Commission appoints all Board members and has the ability to impose its will on the Winfield Housing Authority. 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 agency 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<sup>th</sup> fiscal year end and financial data included in these financial statements are for the fiscal year ended June 30, 2016.

**CITY OF WINFIELD, KANSAS**  
**WINFIELD HOUSING AUTHORITY**  
**STATEMENT OF NET POSITION**

**June 30, 2016**

**ASSETS**

Cash including investments	\$ 77,010
Security deposits	13,751
Accounts receivable, net	469
HUD operating subsidy grant receivable	361
HUD restricted capital grant receivable	68,188
Accrued interest receivable	2
Prepaid expenses	18,962
Inventory	3,996
Land	52,776
Buildings	3,351,415
Furniture, equipment and machinery	204,346
Accumulated depreciation	<u>(2,218,809)</u>
 Total assets	 <u>1,572,467</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows related to pensions	<u>2,463</u>
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**LIABILITIES**

Accounts payable and accrued liabilities	16,127
Salaries and benefits payable	4,266
Tenant security deposits	15,795
Tenant prepaid rents	588
Noncurrent liabilities:	
Due in one year	284
Due after one year	<u>134,528</u>
 Total liabilities	 <u>171,588</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows – HUD capital grant receivable	73,074
Deferred inflows related to pensions	<u>15,005</u>
 Total deferred inflows of resources	 <u>88,079</u>

**NET POSITION**

Net investment in capital assets	1,389,728
Restricted for capital projects	68,188
Unrestricted	<u>(142,653)</u>
 Total net position	 <u>\$ 1,315,263</u>



**CITY OF WINFIELD, KANSAS**  
**WINFIELD HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**

**Year Ended June 30, 2016**

Operating revenues:	
Dwelling rentals	\$ 113,772
HUD operating subsidies	63,840
Other operating income	<u>11,232</u>
Total operating revenues	<u>188,844</u>
Operating expenses:	
Payroll and employee benefits	155,407
Maintenance and repairs	35,465
Utilities	6,262
Insurance	16,780
Administration	34,646
Payments in lieu of taxes	10,786
Depreciation	104,999
Miscellaneous expenses	<u>2,612</u>
Total operating expenses	<u>366,957</u>
Operating loss	(178,113)
Nonoperating revenues – interest income	<u>59</u>
Loss before capital contributions	(178,054)
HUD capital improvement grants	<u>50,685</u>
Change in net position	<u>(127,369)</u>
Net position, beginning of year:	
As previously reported	1,429,274
Adjustment for capital assets	<u>13,358</u>
As restated	<u>1,442,632</u>
Net position, end of year	<u>\$ 1,315,263</u>

**CITY OF WINFIELD, KANSAS**  
**WINFIELD PUBLIC LIBRARY**  
**STATEMENT OF NET POSITION**

**December 31, 2016**

**ASSETS**

Cash including investments	\$ 577,446
Leasehold Cost	2,113,886
Computers and equipment	182,083
Furniture and fixtures	112,516
Books, audio visual, and automation	249,454
Accumulated depreciation	<u>(839,251)</u>
 Total assets	 <u>2,396,134</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows related to pensions	<u>20,899</u>
---------------------------------------	---------------

**LIABILITIES**

Accounts payable	4,386
Salaries and benefits payable	14,811
Noncurrent liabilities:	
Due after one year	<u>153,806</u>
 Total liabilities	 <u>173,003</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows related to pensions	<u>18,430</u>
--------------------------------------	---------------

**NET POSITION**

Net investment in capital assets	1,818,688
Unrestricted	<u>406,912</u>
 Total net position	 <u>\$ 2,225,600</u>

**CITY OF WINFIELD, KANSAS**  
**WINFIELD PUBLIC LIBRARY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**

**Year Ended December 31, 2016**

**Revenues:**

Appropriations from City of Winfield	\$ 510,613
Sales taxes	81,868
Operating grants, gifts and memorials	44,575
Capital grants, gifts and memorials	4,185
Charges for services	58,869
Charges for fines	6,473
Investment earnings	2,137
Miscellaneous	<u>3,947</u>
	<u>712,667</u>

**Expenses:**

**Current:**

Personal services	336,429
Materials and services	145,559
Gifts and memorials	9,962
Grants	6,545
Depreciation	51,941
Capital outlay	<u>6,030</u>

Total expenses	<u>556,466</u>
----------------	----------------

Revenues over expenses	156,201
Net position, beginning of year	<u>2,069,399</u>
Net position, end of year	<u>\$ 2,225,600</u>

## **STATISTICAL SECTION**

# STATISTICAL SECTION

## City of Winfield, Kansas

This part of the City of Winfield's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the government's overall financial health.

### Contents

### Page

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 143

#### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue source. 153

#### **Debt Capacity**

These 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. 157

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 165

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 167

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the City's Comprehensive Annual Financial Reports for the relevant year.*

# City of Winfield, Kansas

## Net Position by Component, Last Ten Fiscal Years

(accrual basis of accounting)

	2007	2008	2009	2010
<b>Governmental activities</b>				
Net investment in capital assets	\$ 13,588,751	\$ 16,604,943	\$ 18,467,441	\$ 15,221,844
Restricted	1,984,745	1,697,377	744,041	1,100,540
Unrestricted	3,851,314	1,613,399	1,747,071	4,814,451
Total governmental activities net position	<u>\$ 19,424,810</u>	<u>\$ 19,915,719</u>	<u>\$ 20,958,553</u>	<u>\$ 21,136,835</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 37,500,763	\$ 38,069,991	\$ 39,034,768	\$ 39,238,338
Restricted	201,918	200,316	200,000	200,000
Unrestricted	8,171,934	6,429,463	8,171,269	9,145,650
Total business-type activities net position	<u>\$ 45,874,615</u>	<u>\$ 44,699,770</u>	<u>\$ 47,406,037</u>	<u>\$ 48,583,988</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 51,089,514	\$ 54,674,934	\$ 57,502,209	\$ 54,460,182
Restricted	2,186,663	1,897,693	944,041	1,300,540
Unrestricted	12,023,248	8,042,862	9,918,340	13,960,101
Total primary government net position	<u>\$ 65,299,425</u>	<u>\$ 64,615,489</u>	<u>\$ 68,364,590</u>	<u>\$ 69,720,823</u>

Table 1

2011	2012	2013	2014	2015	2016
\$ 16,091,925	\$ 16,850,705	\$ 17,623,357	\$ 16,436,223	\$ 17,577,431	\$ 18,881,347
1,001,143	903,217	1,582,593	897,959	2,424,216	3,096,336
4,296,353	5,240,513	3,957,875	6,018,000	(2,175,827)	(2,327,930)
<u>\$ 21,389,421</u>	<u>\$ 22,994,435</u>	<u>\$ 23,163,825</u>	<u>\$ 23,352,182</u>	<u>\$ 17,825,820</u>	<u>\$ 19,649,753</u>
\$ 38,560,011	\$ 37,304,887	\$ 37,119,806	\$ 38,288,922	\$ 38,571,383	\$ 38,952,498
-	-	-	-	-	2,574,319
11,038,264	11,902,772	11,561,504	10,405,524	6,655,354	1,132,671
<u>\$ 49,598,275</u>	<u>\$ 49,207,659</u>	<u>\$ 48,681,310</u>	<u>\$ 48,694,446</u>	<u>\$ 45,226,737</u>	<u>\$ 42,659,488</u>
\$ 54,651,936	\$ 54,155,592	\$ 54,743,163	\$ 54,725,145	\$ 56,148,814	\$ 57,833,845
1,001,143	903,217	1,582,593	897,959	2,424,216	5,670,655
15,334,617	17,143,285	15,519,379	16,423,524	4,479,527	(1,195,259)
<u>\$ 70,987,696</u>	<u>\$ 72,202,094</u>	<u>\$ 71,845,135</u>	<u>\$ 72,046,628</u>	<u>\$ 63,052,557</u>	<u>\$ 62,309,241</u>

# City of Winfield, Kansas

## Changes in Net Position, Last Ten Fiscal Years (accrual basis of accounting)

	2007	2008	2009	2010
<b>Expenses</b>				
<i>Governmental Activities:</i>				
General government	\$ 1,037,652	\$ 1,007,890	\$ 1,136,384	\$ 1,378,157
Public safety	3,961,982	4,799,553	4,363,022	4,486,349
Public works/stormwater	1,475,426	1,750,265	1,511,058	1,391,930
Cemetery	158,684	163,789	142,764	164,665
Culture and recreation	1,802,510	2,157,393	1,405,506	1,910,251
Health and welfare	1,080,507	313,261	353,557	333,945
Economic development	148,996	175,827	165,271	148,777
Interest on debt	558,877	525,663	483,691	500,300
Total governmental activities expenses	10,224,634	10,893,641	9,561,253	10,314,374
<i>Business-type activities:</i>				
Electric	21,790,211	25,974,432	20,755,104	21,107,926
Gas	5,602,811	6,249,824	4,565,950	4,433,654
Water	2,383,522	2,461,897	2,443,606	2,318,531
Refuse	1,250,860	1,305,321	1,231,637	1,200,127
Wastewater	1,965,895	1,900,444	1,730,487	1,865,241
Golf course	848,813	939,736	881,196	813,684
Total business-type activities expenses	33,842,112	38,831,654	31,607,980	31,739,163
<b>Total primary government expenses</b>	<b>\$ 44,066,746</b>	<b>\$ 49,725,295</b>	<b>\$ 41,169,233</b>	<b>\$ 42,053,537</b>
<b>Program Revenues</b>				
<i>Governmental activities:</i>				
General government	\$ 339,026	\$ 403,991	\$ 401,180	\$ 662,013
Public safety	196,713	213,522	244,913	223,217
Public works/stormwater	152,488	157,989	168,703	149,339
Cemetery	31,275	43,285	51,560	53,860
Culture and recreation	442,341	479,106	520,190	544,552
Health and welfare	816,546	188,322	189,415	189,856
Economic development	-	-	-	-
Operating grants and contributions	517,649	469,169	484,355	641,420
Capital grants and contributions	29,610	2,247,932	594,320	13,286
Total governmental activities program revenues	2,525,648	4,203,316	2,654,636	2,477,543
<i>Business-type activities:</i>				
Charges for services:				
Electric	23,993,402	24,141,325	24,760,069	22,771,769
Gas	5,804,699	6,586,008	5,501,142	5,455,036
Water	2,163,925	2,053,763	2,040,831	2,134,745
Refuse	1,408,661	1,468,186	1,379,395	1,401,131
Wastewater	1,497,631	1,645,841	1,672,416	1,809,506
Golf course	506,487	510,225	508,703	468,167
Capital grants and contributions	572,037	456,579	199,131	798,404
Total business-type activities program revenues	35,946,842	36,861,927	36,061,687	34,838,758
<b>Total primary government program revenues</b>	<b>\$ 38,472,490</b>	<b>\$ 41,065,243</b>	<b>\$ 38,716,323</b>	<b>\$ 37,316,301</b>



Table 2

2011	2012	2013	2014	2015	2016
\$ 1,284,081	\$ 1,296,695	\$ 1,679,541	\$ 2,536,371	\$ 2,681,384	\$ 1,188,911
4,493,341	4,588,327	4,467,782	5,497,169	6,533,821	5,839,730
1,392,216	1,413,920	940,998	1,354,619	303,226	1,874,415
145,656	156,726	170,300	172,554	166,866	176,880
2,044,763	1,986,876	3,295,984	2,465,021	1,980,871	2,369,941
341,963	344,062	327,336	37,455	101,146	78,513
185,683	305,623	163,584	146,271	190,447	278,007
452,192	487,573	613,933	449,271	459,790	154,058
10,339,895	10,580,002	11,659,458	12,658,731	12,417,551	11,960,455
22,331,177	24,216,773	24,159,020	27,821,735	24,958,831	26,856,102
4,160,674	3,507,599	4,054,864	4,946,102	3,376,428	3,087,782
2,354,597	2,433,503	2,352,849	2,206,641	2,322,396	2,136,541
1,247,376	1,151,417	1,137,167	1,323,129	1,322,722	1,363,589
1,849,088	1,844,635	1,714,342	1,522,762	1,954,858	2,302,971
762,407	681,748	581,179	539,075	611,452	581,613
32,705,319	33,835,675	33,999,421	38,359,445	34,546,687	36,328,598
\$ 43,045,214	\$ 44,415,677	\$ 45,658,879	\$ 51,018,176	\$ 46,964,238	\$ 48,289,053
\$ 351,445	\$ 336,317	\$ 416,522	\$ 499,031	\$ 355,557	\$ 303,368
217,361	233,349	225,052	1,431,890	637,143	1,008,550
149,761	150,130	146,302	199,247	151,162	157,748
70,245	63,810	51,550	50,403	44,662	44,445
532,471	508,072	388,829	407,773	583,748	563,921
187,630	178,714	177,307	180,974	399,189	-
-	-	-	-	-	3,831
553,306	646,035	619,871	463,505	606,833	1,295,256
55,651	1,118,000	499,185	255,641	614,080	307,425
2,117,870	3,234,427	2,524,618	3,488,464	3,392,374	3,684,544
24,623,166	26,074,970	25,075,556	29,332,542	26,922,703	27,469,873
4,955,953	3,750,750	4,366,055	5,539,500	3,990,898	3,135,190
2,375,968	2,470,167	2,188,618	2,280,116	2,334,501	2,349,167
1,394,287	1,379,195	1,385,780	1,365,123	1,374,125	1,367,750
1,942,758	2,072,943	2,094,907	2,015,682	1,940,840	2,101,798
459,404	448,759	411,866	348,137	347,342	330,211
113,230	85,932	762,833	195,159	122,547	-
35,864,766	36,282,716	36,285,615	41,076,260	37,032,956	36,753,989
\$ 37,982,636	\$ 39,517,143	\$ 38,810,233	\$ 44,564,724	\$ 40,425,330	\$ 40,438,533

# City of Winfield, Kansas

## Changes in Net Position, Last Ten Fiscal Years

(accrual basis of accounting)

	2007	2008	2009	2010
<b>Net (Expenses)/Revenue</b>				
Governmental activities	\$ (7,698,986)	\$ (6,690,325)	\$ (6,906,617)	\$ (7,836,831)
Business-type activities	2,104,730	(1,969,727)	4,453,707	3,099,595
<b>Total primary government net expense</b>	<u>\$ (5,594,256)</u>	<u>\$ (8,660,052)</u>	<u>\$ (2,452,910)</u>	<u>\$ (4,737,236)</u>
 <b>General Revenues and Other Changes in Net Position</b>				
<i>Governmental activities:</i>				
Taxes				
Property taxes	3,563,739	3,613,367	3,946,608	3,995,278
Sales taxes	1,653,458	1,796,192	1,642,867	1,650,437
Franchise taxes	224,057	232,233	208,506	217,851
Other taxes	136,946	119,667	117,440	127,883
Investment earnings	239,348	159,269	67,920	21,433
Miscellaneous	207,280	68,148	107,661	44,392
Special items	-	1,976,607	-	-
Transfers	2,106,339	1,516,177	1,858,449	1,957,839
<b>Total governmental activities</b>	<u>8,131,167</u>	<u>9,481,660</u>	<u>7,949,451</u>	<u>8,015,113</u>
 <i>Business-type activities</i>				
Investment earnings	369,868	230,619	111,009	36,195
Miscellaneous	-	-	-	-
Transfers	(2,106,339)	(1,516,177)	(1,858,449)	(1,957,839)
<b>Total business-type activities</b>	<u>(1,736,471)</u>	<u>(1,285,558)</u>	<u>(1,747,440)</u>	<u>(1,921,644)</u>
 <b>Total primary government</b>	<u>6,394,696</u>	<u>8,196,102</u>	<u>6,202,011</u>	<u>6,093,469</u>
 <b>Change in Net Position</b>				
Governmental activities	432,181	2,791,335	1,042,834	178,282
Business-type activities	368,259	(3,255,285)	2,706,267	1,177,951
<b>Total primary government</b>	<u>800,440</u>	<u>(463,950)</u>	<u>3,749,101</u>	<u>1,356,233</u>

Table 2

2011	2012	2013	2014	2015	2016
\$ (8,222,025)	\$ (7,345,575)	\$ (9,134,840)	\$ (9,170,267)	\$ (9,025,177)	\$ (8,275,911)
3,159,447	2,447,041	2,286,194	2,716,816	2,486,269	425,391
<u>\$ (5,062,578)</u>	<u>\$ (4,898,534)</u>	<u>\$ (6,848,646)</u>	<u>\$ (6,453,451)</u>	<u>\$ (6,538,908)</u>	<u>\$ (7,850,520)</u>
4,133,774	3,941,589	4,156,656	4,157,886	4,068,492	4,122,880
1,802,734	1,744,484	1,765,516	2,221,697	2,814,924	2,593,154
197,907	247,602	218,778	200,961	173,254	162,633
164,781	144,171	137,802	116,005	172,802	154,121
9,874	11,056	17,741	15,085	11,666	27,740
-	-	161,977	57,071	84,349	-
-	-	-	-	-	-
2,165,541	2,861,686	2,845,760	2,647,576	2,793,052	3,039,316
<u>8,474,611</u>	<u>8,950,588</u>	<u>9,304,230</u>	<u>9,416,281</u>	<u>10,118,539</u>	<u>10,099,844</u>
20,381	24,030	33,217	23,540	25,308	46,676
-	-	-	-	-	-
<u>(2,165,541)</u>	<u>(2,861,686)</u>	<u>(2,845,760)</u>	<u>(2,647,576)</u>	<u>(2,793,052)</u>	<u>(3,039,316)</u>
<u>(2,145,160)</u>	<u>(2,837,656)</u>	<u>(2,812,543)</u>	<u>(2,624,036)</u>	<u>(2,767,744)</u>	<u>(2,992,640)</u>
<u>6,329,451</u>	<u>6,112,932</u>	<u>6,491,687</u>	<u>6,792,245</u>	<u>7,350,795</u>	<u>7,107,204</u>
252,586	1,605,013	169,390	246,014	1,093,362	1,823,933
1,014,287	(390,615)	(526,350)	92,779	(281,475)	(2,567,249)
<u>1,266,873</u>	<u>1,214,398</u>	<u>(356,960)</u>	<u>338,793</u>	<u>811,887</u>	<u>(743,316)</u>

# City of Winfield, Kansas

## Fund Balances, Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	2007	2008	2009	2010
<b>General fund</b>				
Reserved	\$ 20,845	\$ 41,336	\$ 24,847	\$ 28,911
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	502,481	331,883	336,688	226,205
Unassigned	-	-	-	-
Total general fund	<u>\$ 523,326</u>	<u>\$ 373,219</u>	<u>\$ 361,535</u>	<u>\$ 255,116</u>
<b>All other governmental funds</b>				
Reserved	\$ 1,113,485	\$ 812,756	\$ 517,816	\$ 322,885
Nonspendable	6,000	6,000	6,000	6,000
Restricted	1,261,343	1,491,587	1,023,398	1,453,568
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total other governmental funds	<u>\$ 2,380,828</u>	<u>\$ 2,310,343</u>	<u>\$ 1,547,214</u>	<u>\$ 1,782,453</u>

\* In 2011, The City implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to previous years.

Table 3

2011	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20,265	20,265	20,265	20,265	20,265	20,265
-	-	-	-	218,132	-
-	-	-	-	-	-
418,171	464,835	580,434	1,171,872	976,043	330,351
-	-	-	-	-	606,992
<u>\$ 438,436</u>	<u>\$ 485,100</u>	<u>\$ 600,699</u>	<u>\$ 1,192,137</u>	<u>\$ 1,214,440</u>	<u>\$ 957,608</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,000	6,000	6,000	722,252	716,252	716,252
995,143	1,575,860	1,496,982	829,976	1,546,813	2,380,084
422,139	348,373	291,949	327,030	450,250	816,084
(33,924)	669,560	943,224	1,283,045	(25,097)	170
-	-	(43,833)	-	-	(610,033)
<u>\$ 1,389,358</u>	<u>\$ 2,599,793</u>	<u>\$ 2,694,322</u>	<u>\$ 3,162,302</u>	<u>\$ 2,688,218</u>	<u>\$ 3,302,557</u>

# City of Winfield, Kansas

## Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2007	2008	2009	2010
<b>Revenues</b>				
Property taxes	\$ 3,563,739	\$ 3,613,367	\$ 3,946,608	\$ 3,995,277
Sales taxes	1,653,458	1,796,192	1,642,867	1,650,437
Intergovernmental	1,059,395	1,228,607	1,130,876	1,209,844
Charges for services	1,327,286	661,048	625,933	747,203
Franchise taxes	224,057	232,233	208,506	217,851
Special assessment taxes	175,857	168,392	163,672	206,224
Fines and forfeitures	177,248	176,362	160,454	132,875
Licenses and permits	23,943	56,228	57,929	49,586
Use of money and property	177,237	122,941	54,327	16,513
Miscellaneous	158,596	201,090	351,214	65,241
<b>Total revenues</b>	<b>8,540,816</b>	<b>8,256,460</b>	<b>8,342,386</b>	<b>8,291,051</b>
<b>Expenditures</b>				
General government	1,008,833	993,000	1,033,537	1,052,806
Public safety	3,915,641	4,556,668	4,310,118	4,362,464
Public works	2,493,546	2,685,567	1,427,589	1,008,716
Cemetery	148,326	152,279	140,513	163,761
Culture and recreation	1,589,068	1,729,654	2,171,340	1,778,099
Health and welfare	1,037,528	313,261	353,557	333,945
Economic development	155,244	175,827	165,271	148,777
Debt service:				
Debt principal payments	1,570,117	1,466,001	1,242,033	1,328,559
Debt interest payments	452,344	363,499	466,280	482,537
Temporary note principal pymts	-	5,280,000	-	-
Temporary note interest pymts	-	168,106	-	-
Discount on temporary note	-	8,040	-	-
Debt issuance costs	-	41,686	-	-
Capital outlay	236,480	305,879	555,840	362,291
<b>Total expenditures</b>	<b>12,607,127</b>	<b>18,239,467</b>	<b>11,866,078</b>	<b>11,021,955</b>
Excess of revenues over (under) expenditures	<u>(4,066,311)</u>	<u>(9,983,007)</u>	<u>(3,523,692)</u>	<u>(2,730,904)</u>
<b>Other Financing</b>				
<b>Sources (Uses)</b>				
Transfers in	4,354,274	4,347,941	4,055,563	4,073,709
Transfers out	(2,180,162)	(2,049,767)	(1,983,495)	(2,101,654)
Issuance of temporary notes	-	2,945,000	-	-
Issuance of bonds	-	4,525,000	-	-
Issuance of refunding debt	-	-	-	1,398,246
Premium on bonds issued	-	-	-	18,898
Issuance of KDOT debt	659,701	-	-	630,970
Issuance of capital lease	-	-	227,844	-
Payments to escrow agent	-	-	-	(1,144,247)
Advance payments of specials	-	162,174	-	-
Insurance recoveries	-	-	429,781	-
Debt issuance costs	-	-	-	(18,798)
Sales of property	250,810	-	19,186	2,600
<b>Total other financing sources (uses)</b>	<b>3,084,623</b>	<b>9,930,348</b>	<b>2,748,879</b>	<b>2,859,724</b>
<b>Net change in fund balances</b>	<b>\$ (981,688)</b>	<b>\$ (52,659)</b>	<b>\$ (774,813)</b>	<b>\$ 128,820</b>
Debt service as a percentage of noncapital expenditures	18.9%	12.0%	17.9%	17.5%

Table 4

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 4,133,774	\$ 3,941,589	\$ 4,156,656	\$ 4,157,886	\$ 4,081,948	\$ 4,122,880
1,802,734	1,744,484	1,749,986	2,221,697	2,814,924	2,593,154
1,107,981	1,166,436	1,174,855	984,128	1,175,486	1,674,896
770,710	559,154	568,504	1,810,152	1,336,419	1,721,968
197,907	247,603	180,218	200,961	173,254	162,633
207,926	256,707	205,071	223,940	204,679	243,164
134,467	120,658	119,892	99,604	100,911	84,232
70,546	82,150	46,922	66,382	59,219	52,941
7,318	6,057	9,266	12,438	9,259	170,200
134,958	2,201,816	764,473	614,607	712,812	266,346
8,568,321	10,326,654	8,975,843	10,391,795	10,668,911	11,092,414
1,344,999	1,181,274	1,819,569	2,014,877	1,563,415	1,236,497
4,311,581	4,613,336	4,478,126	5,629,779	6,718,548	6,333,425
651,094	1,028,453	1,026,521	2,606,888	863,600	1,886,666
160,580	160,451	163,385	187,041	166,866	170,768
1,793,269	1,805,704	3,050,218	2,231,156	2,062,813	2,201,156
341,963	344,062	327,336	37,455	101,146	86,130
185,683	3,956,430	163,584	146,271	190,447	204,014
1,794,554	966,116	3,167,487	7,098,815	11,411,228	1,321,322
597,363	512,828	451,172	445,119	409,927	307,589
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	24,515	32,610	184,250	-
443,657	279,691	226,844	240,044	272,656	147,909
11,624,743	14,848,345	14,898,757	20,670,054	23,944,896	13,895,476
(3,056,422)	(4,521,691)	(5,922,914)	(10,278,259)	(13,275,985)	(2,803,062)
4,819,668	4,670,389	5,495,171	8,498,648	6,100,704	6,154,465
(1,973,021)	(1,970,140)	(1,973,180)	(5,168,219)	(2,629,373)	(3,115,149)
-	3,410,000	2,610,000	8,083,543	-	-
-	-	-	-	6,720,000	-
-	1,520,000	-	-	4,780,000	-
-	-	-	-	553,742	-
-	-	-	-	-	-
-	-	-	-	-	41,558
-	(1,833,955)	-	-	(2,700,868)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(17,505)	-	-	-	-
-	-	-	-	-	-
2,846,647	5,778,789	6,131,991	11,413,972	12,824,205	3,080,874
\$ (209,775)	\$ 1,257,098	\$ 209,077	\$ 1,135,713	\$ (451,780)	\$ 277,812
21.6%	13.8%	26.3%	41.0%	24.5%	13.3%

**City of Winfield, Kansas**

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

Table 5

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
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	4,942	82	9,741	70,511	56.466	422,422	16.69%
2012	57,032	6,296	69	9,848	73,245	55.068	488,629	14.99%
2013	56,870	6,677	1,731	9,923	75,201	54.631	432,743	17.38%
2014	57,802	7,154	1,767	9,935	76,658	54.393	438,971	17.46%
2015	59,597	6,869	1,911	9,843	78,220	53.722	451,785	17.31%
2016	61,149	7,056	2,004	10,171	80,380	53.359	459,831	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 of assessed dollars)*

Table 6

Year	City of Winfield Direct Rates			Overlapping Rates-Other Governments				Total Direct & Overlapping Rate
	Operating Rate	Debt Service	Total Direct Rate	USD 465	State of Kansas	Cowley College	Cowley County	
2007	40.487	9.984	50.471	56.222	1.500	19.932	40.876	169.001
2008	40.893	11.747	52.640	60.679	1.500	19.976	42.270	177.065
2009	45.363	9.189	54.552	59.346	1.500	20.226	42.064	177.688
2010	47.096	9.650	56.746	62.251	1.500	20.219	43.036	183.752
2011	46.816	9.650	56.466	63.096	1.500	20.013	43.420	184.495
2012	45.704	9.364	55.068	58.600	1.500	19.020	40.100	174.288
2013	45.352	9.279	54.631	62.909	1.500	19.388	43.302	181.730
2014	45.252	9.141	54.393	55.795	1.500	18.790	43.186	173.664
2015	44.693	9.029	53.722	55.752	1.500	18.915	43.588	173.457
2016	45.330	8.029	53.359	51.193	1.500	18.998	43.449	168.499

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 7

Taxpayer	2016			2007		
	Assessed Valuation [a]	Rank	Percentage of Total City Taxable Assessed Value [a]	Assessed Valuation [a]	Rank	Percentage of Total City Taxable Assessed Value [a]
Newell Rubbermaid	\$ 6,569,377	1	9.36%	\$ 4,980,972	1	6.82%
Walmart	2,219,760	2	3.16%	1,527,752	3	
General Electric Company	1,594,344	3	2.27%	1,648,596	2	2.26%
WestRock	1,556,519	4	2.22%	-		
Union Pacific Railroad	954,862	5	1.36%	456,435	9	0.63%
Galaxy Tool Corporation	749,153	6	1.07%	482,078	8	0.66%
Calmar	696,990	7	0.99%			
Novogroder (Dillons Stores)	553,848	8	0.79%	663,600	6	0.91%
Kevin Coon	547,969	9	0.78%			
Winfield Hospitality	488,766	10	0.70%			
Winfield Economic Development, Inc	N/A			1,374,446	4	1.88%
Southwestern Bell	N/A			853,145	5	1.17%
Schwans Home Service	N/A			492,832	7	
Philco Inns	N/A			356,626	10	

[a] excludes motor vehicle valuation

Source: Cowley County Clerk Office

# City of Winfield, Kansas

## Property Tax Levies and Collections Last Ten Fiscal Years

Table 8

Year	Taxes Levied For Fiscal Year	Collected within the Fiscal Year of Levy		Delinquent Tax Collections	Total Tax Collections	Percentage of Levy
		Amount	Percentage of Levy			
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	3,357,994	97.63%	65,116	3,423,110	99.52%
2010	3,571,586	3,462,827	96.95%	53,150	3,515,977	98.44%
2011	3,532,436	3,493,214	98.89%	32,621	3,525,835	99.81%
2012	3,532,435	3,371,833	95.45%	42,135	3,413,968	96.65%
2013	3,590,753	3,484,949	97.05%	102,552	3,587,501	99.91%
2014	3,562,198	3,538,003	99.32%	165,638	3,562,198	100.00%
2015	3,632,089	3,497,585	96.30%	63,113	3,560,698	98.03%
2016	3,674,502	3,537,750	96.28%	58,798	3,596,548	97.88%

Source: Cowley County Clerk and County Treasurer's office

# City of Winfield, Kansas

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

Table 9

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Legal debt limit [1]	\$ 23,104	\$ 22,713	\$ 22,726	\$ 22,346	\$ 21,153	\$ 21,974	\$ 22,560	\$ 22,997	\$ 23,466	\$ 24,114
Total debt applicable to debt limit	24,267	24,525	22,853	22,178	20,105	14,865	18,435	19,525	17,135	17,705
Less self-supporting debt [2]	(12,242)	(11,563)	(10,911)	(10,555)	(9,696)	(5,773)	(5,347)	(4,908)	(5,007)	(4,503)
Total net debt applicable to limit	12,025	12,962	11,942	11,623	10,409	9,092	13,088	14,617	12,128	13,202
Legal debt margin	\$ 11,079	\$ 9,751	\$ 10,784	\$ 10,723	\$ 10,744	\$ 12,882	\$ 9,472	\$ 8,380	\$ 11,338	\$ 10,912
Total net debt applicable to the limit as a percentage of debt limit	52.05%	57.07%	52.55%	52.01%	49.21%	41.38%	58.01%	63.56%	51.68%	54.75%

### Legal debt margin calculation for fiscal year 2016

Assessed taxable value	\$ 80,380
Debt limit (30% of total assessed value)	\$ 24,114

[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**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**  
*(dollars in thousands)*

Table 10

<b>Governmental Activities</b>							
Year	General Obligation Bonds	Sales Tax Revenue Bonds	Temporary Notes	KDOT Loan	Contractual Debt	Certificates of Participation	Capital Leases
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
2012	9,071	-	3,410	-	33	-	498
2013	7,843	-	4,695	-	128	-	349
2014	6,551	-	7,525	-	96	-	235
2015	12,697	-	-	-	64	-	118
2016	10,872	-	2,330	-	32	-	36

<b>Business-type Activities</b>									
Year	General Obligation Bonds	Capital Leases	Temporary Notes	KDHE Loans	Certificates of Parti- cipation	Total Primary Government	Percentage of Personal Income	Per Capita	Current Population
2007	-	-	-	12,242	1,669	27,446	2.5%	2,379	11,539
2008	-	-	-	11,563	1,273	26,993	2.6%	2,348	11,497
2009	-	106	-	10,911	860	25,570	2.3%	2,294	11,148
2010	6,618	58	-	3,937	445	23,584	2.1%	1,917	12,301
2011	6,197	9	-	3,499	-	20,816	1.7%	1,693	12,292
2012	5,774	3,064	550	-	-	22,400	1.9%	1,812	12,365
2013	5,347	2,581	550	-	-	21,493	1.5%	1,743	12,333
2014	4,944	2,088	550	-	-	21,989	1.6%	1,794	12,258
2015	5,067	1,583	-	-	-	19,529	1.4%	1,600	12,204
2016	4,503	1,100	-	-	-	18,873	1.4%	1,536	12,284

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

General obligation bond balances include general obligation debt, net of related premiums, discounts, and adjustments

# 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 [b]			LESS: Amounts Restricted to Repaying Principal		Percentage of Actual Taxable Value of Property [a]	Per Capita
	General Obligation Bonds	Temporary Notes	KDOT GO Debt		Total		
2007	\$ 8,300	\$ 1,389	\$ 7	\$ (79)	\$ 9,617	1.98%	\$ 833
2008	11,730	1,232	1,232	(79)	14,115	2.91%	1,228
2009	10,870	1,702	1,072	(191)	13,453	2.81%	1,207
2010	18,170	71	72	(131)	18,182	3.83%	1,478
2011	16,570	-	36	(159)	16,447	3.89%	1,338
2012	14,865	3,960	-	(208)	18,617	3.81%	1,506
2013	13,190	5,245	-	(463)	17,972	4.15%	1,457
2014	11,496	8,075	-	(314)	19,257	4.39%	1,571
2015	17,764	-	-	(478)	17,286	3.83%	1,416
2016 [c]	15,917	2,330	-	(594)	17,653	3.84%	1,437

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

[a] See Table 5 for property value data

[b] 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.

[c] Includes \$4,556 thousand of general obligation debt, that is being repaid from water revenues, and \$183 thousand of GO debt being repaid from stormwater revenues, and net of related premiums, discounts, and adjustments.

# City of Winfield, Kansas

## Governmental Activities Direct and Overlapping Debt

December 31, 2016

(dollars in thousands)

Table 12

	Debt	Percent of Debt Applicable to City	City Share of Debt
Direct debt:			
General obligation bonded debt	\$ 11,360,902	100.00%	\$ 11,360,902
Interlocal agreement debt	32,000	100.00%	32,000
Capital leases	36,458	100.00%	36,458
Total direct debt			<u>11,429,360</u>
Overlapping debt:			
USD 465	\$ 13,520,000	62.87%	8,499,941
Cowley County	2,280,000	27.95%	637,305
Cowley College	6,120,000	27.95%	1,710,660
Total overlapping debt			<u>10,847,905</u>
<b>Total direct and overlapping debt</b>			<b><u>\$ 22,277,265</u></b>

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**

**Pledged-Revenue Coverage  
Last Ten Fiscal Years**

*(dollars in thousands)*

Table 13

<b>Electric Revenue Bonds and Certificates of Participation Debt [2]</b>						
<b>Year</b>	<b>Utility Service Charges</b>	<b>Less: Operating Expenses [1]</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
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
2012	26,098	24,202	1,896	-	-	-
2013	25,076	25,182	(106)	-	-	-
2014	29,333	29,232	101	-	-	-
2015	26,786	26,849	(63)	-	-	-
2016	27,452	29,160	(1,708)	-	-	-

<b>Water Debt</b>						
<b>Year</b>	<b>Utility Service Charges</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
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
2012	2,470	2,419	51	421	148	0.09
2013	2,189	2,328	(139)	427	138	-0.25
2014	2,280	2,201	79	439	129	0.14
2015	2,334	2,295	39	446	120	0.07
2016	2,349	2,102	247	504	125	0.39

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 (transfers) in lieu of franchise fees.

[2] Certification of Participation was paid in full in 2012.



# City of Winfield, Kansas

## Pledged-Revenue Coverage

### Last Ten Fiscal Years

(dollars in thousands)

Table 13 (cont.)

Wastewater Debt						
Year	Utility Service Charges	Less: Operating Expenses [1]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2012	2,073	1,781	292	465	87	0.53
2013	2,095	1,629	466	482	66	0.85
2014	2,016	1,483	533	493	55	0.97
2015	1,941	1,955	(14)	506	43	-0.03
2016	2,102	2,256	(154)	516	32	-0.28

Quail Ridge Golf Course Certificates of Participation Debt [2]						
Year	Golf Course Fees	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2012	449	674	(225)	-	-	0.00
2013	412	564	(152)	-	-	0.00
2014	348	539	(191)	-	-	0.00
2015	347	611	(264)	-	-	0.00
2016	330	581	(251)	-	-	0.00

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.

[2] Certification of Participation was paid in full in 2012.

# City of Winfield, Kansas

## Pledged-Revenue Coverage Last Ten Fiscal Years

(dollars in thousands)

Table 13 (continued)

Special Assessment Bonds				
Year	Special Assessment Collections	Debt Service [1]		Coverage
		Principal	Interest	
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
2012	257	219	138	0.72
2013	205	225	130	0.58
2014	224	237	121	0.63
2015	205	253	112	0.56
2016	243	260	102	0.67

Sales Tax Revenue Bonds [2]				
Year	Sales Tax Collections	Debt Service		Coverage
		Principal	Interest	
2007	\$ 1,653	\$ 115	\$ 13	12.91
2008	1,768	115	9	14.26
2009	1,643	120	5	13.14
2010	1,653	25	1	63.58
2011	1,781	-	-	-
2012	1,746	-	-	-
2013	1,766	-	-	-
2014	2,186	-	-	-
2015	2,698	-	-	-
2016	2,653	-	-	-

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

[2] The City's 1 percent sales tax is pledged against payment of the 2002 refunding sales tax bonds. Bonds paid in full in 2010

# City of Winfield, Kansas

## Pledged-Revenue Coverage Last Ten Fiscal Years

(dollars in thousands)

Table 13 (concluded)

Stormwater Debt						
Year	Stormwater Revenue Collections	Less: Operating Expenses [1]	Net Available Revenue	Debt Service Principal	Interest	Coverage
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
2012	150	106	44	84	7	0.48
2013	152	110	42	85	6	0.46
2014	151	94	57	87	6	0.61
2015	150	132	18	90	3	0.19
2016	150	35	115	91	1	1.25

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

### Demographic and Economic Statistics, Last Ten Fiscal Years

Table 14

Year	Population [1]	Personal Income [2] <i>(thousands of dollars)</i>	Per Capita Personal Income [2]*	School Enrollment [3]	Unemployment Rate [4]
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	1,135,511	30,359	2,536	7.1%
2011	12,292	1,196,317	32,982	2,461	6.2%
2012	12,365	1,199,453	37,004	2,318	5.8%
2013	12,333	1,454,597	38,278	2,449	4.8%
2014	12,258	1,390,203	38,656	2,332	4.4%
2015	12,204	1,390,203	38,656	2,156	4.5%
2016	12,284	1,337,790	37,381	2,303	4.2%

[1] Provided by League of Kansas Municipalities

[2] Provided by U.S. Bureau of Economic Analysis

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

[4] From [cowleycounty.org/employment-statistics](http://cowleycounty.org/employment-statistics), end of year

\* in 2012, Kansas University Institute for Policy and Social Research combined City of Arkansas City and City of Winfield as a Micropolitan Area.

# City of Winfield, Kansas

## Principal Employers, Current Year and Nine Years Ago

Table 15

Employer	2016			2007		
	Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
Newell-Rubbermaid	1,054	1	5.64%	512	4	3.01%
General Electric Aviation	700	2	3.74%	830	1	4.88%
Creekstone Farms Premium Beef	660	3	3.53%	620	3	3.65%
U.S. D. #465	650	4	3.48%	750	2	4.41%
U.S. D. #470	435	5	2.33%	400	5	2.35%
Kan-Pak	310	6	1.66%	-	-	-
William Newton Memorial Hospital	305	7	1.63%	300	6	1.76%
WestRock (Silgan Dispensing)	276	8	1.48%	225	9	1.32%
Southwestern College	214	9	1.14%	195	13	1.15%
Galaxy Technology	210	10	1.12%	-	-	-
Total employment	18,694					

Source: cowleycounty.org (updated Nov. 2015) and respective employer representatives

The City of Winfield is located approximately twelve miles from the city of Arkansas City, Kansas (population 12,063). 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 16

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government										
Management services	14	14	13	13	13	13	14	13	13	16
Legal/court	2	2	2	2	2	2	2	2	2	2
Utility billing	7	7	7	7	7	8	7	7	7	9
Engineering	8	8	8	8	7	8	7	7	7	7
Service and operations center	10	9	9	9	8	9	10	10	10	10
Public safety										
Fire	20	20	20	20	19	19	20	28	29	26
Police	30	28	31	32	31	31	26	31	30	26
Public works/stormwater	7	6	6	6	6	6	6	6	6	6
Cemetery	2	2	2	2	2	2	2	2	2	2
Culture and recreation	9	9	9	9	9	9	9	9	9	9
Health and welfare										
Economic development										
Electric	29	29	28	29	29	28	26	26	25	24
Gas	12	11	11	10	9	8	8	8	8	8
Water	12	12	13	12	12	11	12	12	10	11
Refuse	11	10	10	10	10	9	8	8	9	8
Wastewater	8	8	8	8	8	8	8	8	8	8
Golf course	4	4	4	4	4	3	3	2	3	2
Total	<u>185</u>	<u>179</u>	<u>181</u>	<u>181</u>	<u>176</u>	<u>174</u>	<u>168</u>	<u>179</u>	<u>178</u>	<u>174</u>

Source: City records

**City of Winfield, Kansas**

**Operating Indicators by Function/Program  
Last Ten Fiscal Years**

Table 17

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Building permits issued	185	254	309	381	328	324	313	310	353	310
Municipal court cases	1,456	1,418	1,141	908	1,066	929	984	799	901	739
Police										
Class I Offenses	1,016	799	630	610	762	615	734	558	548	434
Domestic Violence/ DUI/Drug Arrests	330	301	327	385	276	181	201	165	131	105
Accidents	494	395	408	362	311	346	322	304	N/A	316
Fire/EMS										
Total responses*	1,582	1,530	1,481	1,682	1,723	1,734	1,606	2,239	2,527	2,788
Parks and recreation										
Aquatic center attendance	18,885	18,466	19,931	20,618	20,565	17,613	14,441	15,888	N/A	16,480
Annual lake permits	1,929	1,851	2,315	3,088	2,159	1,548	1,429	1,811	2,035	2,160
Cemetery										
Cemetery spaces sold	41	61	85	62	77	77	49	45	33	43
Streets maintenance										
Resurfacing, annual in tons	4,940	1,343	1,965	1,285	4,660	5,774	3,220	3,583	2,515	2,902
Electric utility										
MWH sold, annual	322,231	306,588	259,957	281,210	277,467	293,650	304,843	309,246	292,191	295,480
Peak daily consumption, MWH	68,700	66,000	59,420	61,132	65,385	66,825	64,734	63,408	61,300	64,376
Gas Utility										
MCF sold, annual	574,357	636,285	576,264	582,502	574,253	469,299	573,585	648,287	518,406	445,930
Water Utility										
Gallons sold annual, in thousands	691,838	647,747	661,432	688,586	762,729	741,021	705,878	700,180	633,399	583,415
Refuse (annual tons, in thousands)										
Refuse collected	8,375	8,142	7,883	8,170	8,032	7,617	7,784	7,783	7,640	7,813
Recyclables collected	1,185	1,241	1,176	1,174	1,147	1,150	518	697	827	887
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

In July 2014, City of Winfield Fire Department took over Winfield Area EMS operations. Includes Fire & EMS calls.  
N/A - information not available

**City of Winfield, Kansas**

**Capital Asset Statistics by Function  
Last Ten Fiscal Years**

Table 18

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (marked)	17	17	17	17	17	17	22	23	26	25
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	296	296
Base/softball diamonds	5	5	5	5	5	5	5	5	5	5
Soccer fields	6	6	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]	114	114	114	114	114	114	114	114	114	114
Gas Utility										
Gas main lines (miles) [1]	95	95	95	95	95	95	95	94	94	94
Water Utility										
Water main lines (miles) [1]	95	95	95	95	95	95	95	95	95	95
Fire hydrants [1]	535	535	535	535	535	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)	71	71	71	71	71	73	73	76	76	76
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



## George, Bowerman & Noel, P.A.

*Certified Public Accountants  
Management Consultants  
Tax Advisors*

Paul R. Bowerman  
Gary L. George

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November 7, 2017

Mayor and City Commission  
City of Winfield  
Winfield, Kansas

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Winfield, Winfield, Kansas (the City), for the year ended December 31, 2016. We did not audit the financial statements of the Winfield Public Library or the Winfield Housing Authority, which was audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and if applicable, Government Auditing Standards and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 12, 2017. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. During 2016 the City implemented the provisions of Governmental Accounting Standards Board Statement No. 77, *Tax Abatement Disclosures*. The implementation of this standard requires governments to disclose information about tax abatement agreements including a description of the taxes being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated and the types of commitments made by the tax abatement recipients. In addition, the gross dollar amount of taxes being abated during the current period must be disclosed and commitments made by the government, other than to abate taxes, as part of the tax abatement agreement. Information regarding the related required disclosures are included in Note 17 to the financial statements. The application of existing policies was not changed during 2016. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

- Accounts receivable represent outstanding amounts due from customers, net of allowances for doubtful accounts.
- Accounts payable represent outstanding amounts for goods and/or services received prior to year-end but not liquidated as of year-end.
- Accrued payroll based upon estimates of hours worked through December 31, 2016 and current wage and salary rates.
- Encumbrances outstanding represent commitments for goods or services that have not been received as of year-end.
- Depreciation expense is based on estimated useful lives of the individual capital assets.
- Accrued compensated absence liabilities are estimated based on current salary costs and the vested portion of accumulated benefits.
- Accrued postemployment benefits other than pensions at December 31, 2016 are based upon actuarial valuations performed in accordance with GASB Statement No. 45.
- The City's KPERS unfunded pension liability at December 31, 2016 is based upon the City's proportionate share of all local group participating employers included in the Kansas Public Employees Retirement System (KPERS).

We evaluated the key factors and assumptions used to develop the above described estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in working with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements and those adjustments are detailed in the attached schedule.

In addition, none of the misstatements detected by us as a result of audit procedures and not corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. Attached is a schedule of the proposed audit adjustments that were not made to the financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 7, 2017. A copy of that representation letter is attached.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

Other issues discussed with management during our audit included the following:

- Electric Cost Adjustments (ECA) for four months during 2016 did not utilize the correct rate in computation of the ECA charges. In addition, for two large customers the ECA charge computation utilized the wrong average rate in the computation of the ECA costs. Further, for two large customers, that are not assessed ECA charges, the computation of the ECA rate was not adjusted for their electric purchases.
- Reconciliations of the utility billing system activity to the general ledger postings were not completed.
- Reconciliation of credit card clearings on the bank statement with amounts posted to customer accounts.
- There were \$1,589.29 of outstanding checks greater than one year old included on the bank account reconciliation at year-end.
- Miscellaneous accounts receivable balances contain numerous old outstanding account balances.
- Outstanding vendor balance detail reflects amounts still outstanding from 2012 and 2013.
- Reconciliation of Winfield Lake and Quail Ridge Golf Course point of sale system revenues to the amounts posted in the general ledger accounts.
- Capital asset reporting for construction work in process had not been updated for prior year projects completed and new projects started during 2016. Also noted several significant assets not capitalized in the accounting records for 2016 for equipment lease purchases, Library parking lot improvements and a new Public Works building.

This report is intended solely for the information and use of the City Commission and management and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

George Bowlerman & Noel, P.A.

City of Winfield, Kansas  
Audit Adjusting Journal Entries  
12/31/16

W/P REF.	DESCRIPTION	Fund/Account Number	DR.	P o s t e d	CR.	EFFECT ON CASH INCREASE (DECREASE)
310	(1)					
	<b>Bond and Interest Fund #260:</b>					
	Temporary Note Proceeds	260.000.495100.0000000	2,330,000.00	✓		
	Accounts Payable	260.000.201200.0000000	9,200.00	✓		
	Debt Issuance Costs	260.087.523200.0000000		✓	17,611.00	
	Transfers Out	260.087.581120.0000000		✓	1,440,000.00	
	Cash	260.000.101000.0000000		✓	881,589.00	(881,589.00)
	<b>2016 KLINK Fund #727:</b>					
	Debt Issuance Costs	727.099.523200.0000000	1,022.57	✓		
	Transfers In - B&I	727.099.491160.0000000	125,000.00	✓		
	Cash	727.000.101000.0000000	328.43	✓		
	Temporary Notes Payable	727.000.2XXXXX.0000000		✓	126,351.00	328.43
	<b>Hospital Improvements Fund #731:</b>					
	Cash	731.000.101000.0000000	869,563.00	✓		
	Debt Issuance Costs	731.099.523200.0000000	5,637.00	✓		
	Accounts Payable	731.000.201100.0000000		✓	5,200.00	
	Temporary Notes Payable	731.000.2XXXXX.0000000		✓	870,000.00	869,563.00
	<b>Public Safety Needs Study Fund #754:</b>					
	Debt Issuance Costs	754.099.523200.0000000	818.05	✓		
	Transfers In - B&I	754.099.491160.0000000	100,000.00	✓		
	Cash	754.000.101000.0000000	262.95	✓		
	Temporary Notes Payable	754.000.2XXXXX.0000000		✓	101,081.00	262.95
	<b>2015 EMS Ambulance Fund #755:</b>					
	Debt Issuance Costs	755.099.523200.0000000	818.05	✓		
	Transfers In - B&I	755.099.491160.0000000	100,000.00	✓		
	Cash	755.000.101000.0000000	262.95	✓		
	Temporary Notes Payable	755.000.2XXXXX.0000000		✓	101,081.00	262.95
	<b>12th Avenue Improvements Fund #756:</b>					
	Debt Issuance Costs	756.099.523200.0000000	3,272.23	✓		
	Transfers In - B&I	756.099.491160.0000000	400,000.00	✓		
	Cash	756.000.101000.0000000	1,052.77	✓		
	Temporary Notes Payable	756.000.2XXXXX.0000000		✓	404,325.00	1,052.77
	<b>14th Avenue Bridge Fund #757:</b>					
	Debt Issuance Costs	757.099.523200.0000000	1,711.46	✓		
	Transfers In - B&I	757.099.491160.0000000	215,000.00	✓		
	Accounts Payable	757.000.201100.0000000		✓	1,553.40	
	Cash	757.000.101000.0000000		✓	11,275.06	
	Temporary Notes Payable	757.000.2XXXXX.0000000		✓	203,883.00	(11,275.06)
	<b>Baden Community Center Improvements Fund #758:</b>					
	Debt Issuance Costs	758.099.523200.0000000	818.05	✓		
	Transfers In - B&I	758.099.491160.0000000	100,000.00	✓		
	Cash	758.000.101000.0000000	262.95	✓		
	Temporary Notes Payable	758.000.2XXXXX.0000000		✓	101,081.00	262.95
	<b>Technology Upgrades Fund #759:</b>					
	Debt Issuance Costs	759.099.523200.0000000	818.05	✓		
	Transfers In - B&I	759.099.491160.0000000	100,000.00	✓		
	Cash	759.000.101000.0000000	262.95	✓		
	Temporary Notes Payable	759.099.495100.0000000		✓	101,081.00	262.95



City of Winfield, Kansas  
Audit Adjusting Journal Entries  
12/31/16

W/P REF.	DESCRIPTION	Fund/Account Number	DR.	P o s t e d	CR.	EFFECT ON CASH INCREASE (DECREASE)
310	(1)					
	2017 KLINK Fund #760:					
	Cash	760.000.101000.0000000	20,868.06	✓		
	Transfers In - B&I	760.099-491160.0000000	300,000.00	✓		
	Debt Issuance Costs	760.099.523200.0000000	2,695.54	✓		
	Accounts Payable	760.000.201100.0000000		✓	2,446.60	
	Temporary Notes Payable	760.099.2XXXXX.0000000		✓	321,117.00	20,868.06
	<i>To record proceeds from 2016 Temporary Note issues and related issue costs in the respective project funds for which the temporary notes were issued that were originally recorded in the Bond and Interest Fund during 2016. (Note that original transfers from Bond &amp; Interest Fund for 17th Avenue Bridge Fund #757 was \$215,000.00 vs. temporary note actual amount of \$200,000.00 and for 2017 KLINK Fund #760 was \$300,000.00 vs. temporary note actual amount of \$315,000.000.)</i>					
	(2)					
210-2	Bond and Interest Fund #260:					
	Reserve for Special Assessments	260.000.248000.0000000	486,328.44	✓		
	Special Assessments Receivable	260.000.121100.0000000		✓	486,328.44	0.00
	<i>To adjust special assessment receivable to computed balance at 12/31/16.</i>					
	(3)					
40-56	2015 EMS Ambulance Fund #755:					
	Cash	755.000.101000.0000000	100,704.05	✓		
	Transfers In	755.000-491160.0000000		✓	100,704.05	100,704.05
	General Fund #001					
	Transfers out	001.017.581200.0000000	100,704.05	✓		
	Cash	001.000.101000.0000000		✓	100,704.05	(100,704.05)
	<i>To record transfer to 2015 EMS Ambulance to eliminate deficit cash balance at 12/31/16. Client should reverse client entry made in 2017 correcting same.</i>					
310-1.6	(4)					
	Water Fund #404:					
	GAAP Expense Adjustments	404.000.381000.0000000	13,281.54	✓		
	Accumulated Amortization of Bond Premium	404.000.241100.0000000		✓	13,281.54	0.00
	<i>To correct posting of accretion of bond premium posted backwards during 2016.</i>					

City of Winfield, Kansas  
Audit Adjusting Journal Entries  
12/31/16

W/P REF.	DESCRIPTION	Fund/Account Number	DR.	P o s t e d	CR.	EFFECT ON CASH INCREASE (DECREASE)
	(5)					
	<b>Special Street and Highway Fund #132:</b>					
40-50	Street Maintenance Supplies	132.080.534900.0000000	2,048.22	✓		
	Cash	132.000.101000.0000000		✓	2,048.22	(2,048.22)
	<b>2016 KLINK Fund #727:</b>					
	Cash	727.000.101000.0000000	2,048.22	✓		
	Reserve for Encumbrances	727.000.300200.0000000	23,573.05	✓		
	Encumbrances	727.000.330000.0000000		✓	23,573.05	
	Street Improvements	727.099.551900.0000000		✓	2,048.22	2,048.22
	<i>To reclassify expenditures to Special Street fund to eliminate deficit cash balance in 2016 KLINK fund and to record cancellation of encumbrances recorded by City in 2017 as a 2016 transaction to eliminate deficit fund balance at 12/31/16.</i>					
300-5	(6)					
	<b>Electric Fund #402:</b>					
	GAAP Expense	402.000.218500.0000000	12,724.00	✓		
	Postemployment Health Benefits Liability	402.000.381000.0000000		✓	12,724.00	0.00
	<b>Gas Fund #403:</b>					
	GAAP Expense	403.000.218500.0000000	2,734.00	✓		
	Postemployment Health Benefits Liability	403.000.381000.0000000		✓	2,734.00	0.00
	<b>Water Fund #404:</b>					
	GAAP Expense	404.000.218500.0000000	1,853.00	✓		
	Postemployment Health Benefits Liability	404.000.381000.0000000		✓	1,853.00	0.00
	<b>Refuse Fund #412:</b>					
	GAAP Expense	412.000.218500.0000000	3,394.00	✓		
	Postemployment Health Benefits Liability	412.000.381000.0000000		✓	3,394.00	0.00
	<b>Wastewater Fund #413:</b>					
	GAAP Expense	413.000.218500.0000000	3,988.00	✓		
	Postemployment Health Benefits Liability	413.000.381000.0000000		✓	3,988.00	0.00
	<b>Golf Course Fund #433:</b>					
	GAAP Expense	433.000.218500.0000000	833.00	✓		
	Postemployment Health Benefits Liability	433.000.381000.0000000		✓	833.00	0.00
	<b>Management Services Fund #508:</b>					
	GAAP Expense	508.000.218500.0000000	9,343.00	✓		
	Postemployment Health Benefits Liability	508.000.381000.0000000		✓	9,343.00	0.00
	<b>Service Center Fund #509:</b>					
	GAAP Expense	509.000.218500.0000000	1,908.00	✓		
	Postemployment Health Benefits Liability	509.000.381000.0000000		✓	1,908.00	0.00
	<i>To adjust Other Postemployment Employee Benefits liability at 12-31-16 per actuarial report for GAAP reporting purposes.</i>					

City of Winfield, Kansas  
Audit Adjusting Journal Entries  
12/31/16

W/P REF.	DESCRIPTION	Fund/Account Number	DR.	P o s t e d	CR.	EFFECT ON CASH INCREASE (DECREASE)
300-6	(7)					
	<b>Electric Fund #402:</b>					
	Deferred Outflows - Net Pension Liability	402.000.145900.0000000	182,176.00	✓		
	Deferred Inflows - Net Pension Liability	402.000.228900.0000000	34,399.00	✓		
	GAAP Expense	402.000.218900.0000000	7,900.00	✓		
	Net Pension Liability	402.000.218900.0000000		✓	224,475.00	0.00
	<b>Gas Fund #403:</b>					
	Deferred Outflows - Net Pension Liability	403.000.145900.0000000	52,157.00	✓		
	Deferred Inflows - Net Pension Liability	403.000.228900.0000000	9,982.00	✓		
	GAAP Expense	403.000.218900.0000000	1,140.00	✓		
	Net Pension Liability	403.000.218900.0000000		✓	63,279.00	0.00
	<b>Water Fund #404:</b>					
	Deferred Outflows - Net Pension Liability	404.000.145900.0000000	54,449.00	✓		
	Deferred Inflows - Net Pension Liability	404.000.228900.0000000	15,727.00	✓		
	GAAP Expense	404.000.218900.0000000		✓	43,624.00	
	Net Pension Liability	404.000.218900.0000000		✓	26,552.00	0.00
	<b>Refuse Fund #412:</b>					
	Deferred Outflows - Net Pension Liability	412.000.145900.0000000	39,605.00	✓		
	Deferred Inflows - Net Pension Liability	412.000.228900.0000000	6,975.00	✓		
	GAAP Expense	412.000.218900.0000000	5,969.00	✓		
	Net Pension Liability	412.000.218900.0000000		✓	52,549.00	0.00
	<b>Wastewater Fund #413:</b>					
	Deferred Outflows - Net Pension Liability	413.000.145900.0000000	63,786.00	✓		
	Deferred Inflows - Net Pension Liability	413.000.228900.0000000	10,859.00	✓		
	GAAP Expense	413.000.218900.0000000	12,726.00	✓		
	Net Pension Liability	413.000.218900.0000000		✓	87,371.00	0.00
	<b>Golf Course Fund #433:</b>					
	Deferred Outflows - Net Pension Liability	433.000.145900.0000000	16,493.00	✓		
	Deferred Inflows - Net Pension Liability	433.000.228900.0000000	2,486.00	✓		
	GAAP Expense	433.000.218900.0000000	5,997.00	✓		
	Net Pension Liability	433.000.218900.0000000		✓	24,976.00	0.00
	<b>Management Services Fund #508:</b>					
	Deferred Outflows - Net Pension Liability	508.000.145900.0000000	199,636.00	✓		
	Deferred Inflows - Net Pension Liability	508.000.228900.0000000	37,776.00	✓		
	GAAP Expense	508.000.218900.0000000	7,980.00	✓		
	Net Pension Liability	508.000.218900.0000000		✓	245,392.00	0.00
	<b>Service Center Fund #509:</b>					
	Deferred Outflows - Net Pension Liability	509.000.145900.0000000	9,148.00	✓		
	Deferred Inflows - Net Pension Liability	509.000.228900.0000000	6,490.00	✓		
	GAAP Expense	509.000.218900.0000000	15,933.00	✓		
	Net Pension Liability	509.000.218900.0000000		✓	31,571.00	0.00

To adjust unfunded net pension liability and related deferred outflows of resources and deferred inflows of resources for the KPERS and KP&F unfunded pension liability at 12-31-16.



City of Winfield, Kansas  
Audit Adjusting Journal Entries  
12/31/16

W/P REF.	DESCRIPTION	Fund/Account Number	DR.	P o s t e d	CR.	EFFECT ON CASH INCREASE (DECREASE)
	(8)					
	Special Street and Highway Fund #132:					
	Prior Year Expense	132.000.383000.0000000	16,514.90	✓		
	Arch/Eng/Planning/Abstract/Appraisal	132.080.522100.0000000	8,291.26	✓		
	Encumbrances	132.000.330000.0000000		✓	9,527.10	
	Due from State-Conn. Link	132.000.		✓	15,279.06	0.00
	To adjust trial balance to correct beginning fund balance for entries related to encumbrances not posted to original version of client prepared trial balance.					
	*****CLIENT DOES NOT NEED TO POST THIS ENTRY*****					
40-64	(9)					
	Sales Tax Fund #803:					
	Cash	803.000.101000.0000000	28,321.85	✓		
	Accounts Payable	803.000.201100.0000000		✓	28,321.85	28,321.85
	Electric Fund #402:					
	Advance to Sales Tax Fund	402.000.133400.0000000	28,321.85	✓		
	Cash	402.000.101000.0000000		✓	28,321.85	(28,321.85)
	To advance amount of deficit cash balance in the Sales Tax Fund at 12-31-16.					
310-2.4	(10)					
	Refuse Fund #412:					
	Fixed Assets	412.000.153000.0000000	37,273.92	✓		
	Equipment Rent	412.108.529100.0000000		✓	4,055.00	
	Capital Lease Obligation Payable	412.000.228200.0000000		✓	33,218.92	0.00
	To record effect of lease purchase agreement for Bobcat Skid-Steer Loader financed during 2016.					
40-23	(11)					
	Bond and Interest Fund #260:					
	Other Payable	260.000-201200.0000000	856,858.00	✓		
	Deferred Interlocal Receivable Revenue	260-000.249000.0000000	128,347.55	✓		
	GAAP Revenue	260.000.371000.0000000	728,510.45	✓		
	Interlocal Agreement Receivable	260.000.110800.0000000		✓	856,858.00	
	Interlocal Agreement Payout	260.000.544300.0000000		✓	856,858.00	0.00
	To correct balances related to interlocal governmental payments received during 2016 and the payable amount recorded to reflect the amount due to the William Newton Memorial Hospital for improvement projects. (Note that temporary note receipts and related expenditures have been moved from the Bond & Interest Fund to the Hospital Improvements Fund at 12-31-16. Remittance to Hospital should be recorded in the Hospital Improvements Fund #731.)					
TOTALS ALL PAGES			8,087,368.41		8,087,368.41	0.00

40

✓ - posted to individual fund trial balance and to summary of cash by fund (w/p 40), if applicable.

City of Winfield, Kansas  
Audit Adjusting Journal Entries Waived  
12/31/16

W/P REF.	DESCRIPTION	Fund #	Account No.	DR.	CR.	Increase (Decrease) Net Income	Increase (Decrease) Assets	Increase (Decrease) Liabilities	Increase (Decrease) Equity
235	(1)								
	General Fund:								
	Prepaid expense	001	001.XXX.144000	22,792.67			22,792.67		
	Insurance expense	001	001.XXX.530100		22,792.67	22,792.67			22,792.67
	Special Liability Fund:								
	Prepaid expense	125	125.XXX.144000	46,134.00			46,134.00		
	Insurance expense	125	125.XXX.530100		46,134.00	46,134.00			46,134.00
	Convention and Tourism Fund:								
	Prepaid expense	134	134.XXX.144000	473.00			473.00		
	Insurance expense	134	134.XXX.530100		473.00	473.00			473.00
	Electric Fund:								
	Prepaid expense	402	402.XXX.144000	165,134.58			165,134.58		
	Insurance expense	402	402.XXX.530100		165,134.58	165,134.58			165,134.58
	Gas Utility Fund:								
	Prepaid expense	403	403.XXX.144000	1,305.00			1,305.00		
	Insurance expense	403	403.XXX.530100		1,305.00	1,305.00			1,305.00
	Water Utility Fund:								
	Prepaid expense	404	404.XXX.144000	5,450.00			5,450.00		
	Insurance expense	404	404.XXX.530100		5,450.00	5,450.00			5,450.00
	Refuse Utility Fund:								
	Prepaid expense	412	412.XXX.144000	1,493.00			1,493.00		
	Insurance expense	412	412.XXX.530100		1,493.00	1,493.00			1,493.00
	Wastewater Utility Fund:								
	Prepaid expense	413	413.XXX.144000	6,654.00			6,654.00		
	Insurance expense	413	413.XXX.530100		6,654.00	6,654.00			6,654.00
	Risk Management Fund:								
	Prepaid expense	604	604.XXX.144000	7,640.00			7,640.00		
	Insurance expense	604	604.XXX.530100		7,640.00	7,640.00			7,640.00
	To adjust for prepaid insurance								
300-1.3	(2)								
	General Fund:								
	Various expenses	001	001.XXX.XXXXXX	10,864.50		(10,864.50)			(10,864.50)
	Accounts Payable	001	001.000.201100		10,864.50			10,864.50	
	Special Streets and Highway Fund:								
	Various expenses	132	132.XXX.XXXXXX	1,454.45		(1,454.45)			(1,454.45)
	Accounts Payable	132	132.000.201100		1,454.45			1,454.45	
	Convention and Tourism Fund:								
	Various expenses	134	134.XXX.XXXXXX	23.94		(23.94)			(23.94)
	Accounts Payable	134	134.000.201100		23.94			23.94	
	Grants & Contributions Fund:								
	Various expenses	350	350.XXX.XXXXXX	4,644.64		(4,644.64)			(4,644.64)
	Accounts Payable	350	350.000.201100		4,644.64			4,644.64	
	Electric Utility Fund:								
	Various expenses	402	402.XXX.XXXXXX	3,476.62		(3,476.62)			(3,476.62)
	Accounts Payable	402	402.000.201100		3,476.62			3,476.62	
	Gas Utility Fund:								
	Various expenses	403	403.XXX.XXXXXX	1,303.74		(1,303.74)			(1,303.74)
	Accounts Payable	403	403.000.201100		1,303.74			1,303.74	

City of Winfield, Kansas  
Audit Adjusting Journal Entries Waived  
12/31/16

W/P REF.	DESCRIPTION	Fund #	Account No.	DR.	CR.	Increase (Decrease) Net Income	Increase (Decrease) Assets	Increase (Decrease) Liabilities	Increase (Decrease) Equity
300-1.3	(2)								
	Water Utility Fund:								
	Various expenses	404	404.XXX.XXXXXX	1,394.45		(1,394.45)			(1,394.45)
	Accounts Payable	404	404.000.201100		1,394.45			1,394.45	
	Refuse Utility Fund:								
	Various expenses	412	412.XXX.XXXXXX	4,071.23		(4,071.23)			(4,071.23)
	Accounts Payable	412	412.000.201100		4,071.23			4,071.23	
	Wastewater Utility Fund:								
	Various expenses	413	413.XXX.XXXXXX	977.65		(977.65)			(977.65)
	Accounts Payable	413	413.000.201100		977.65			977.65	
	Quail Ridge Golf Course Fund:								
	Various expenses	433	433.XXX.XXXXXX	774.01		(774.01)			(774.01)
	Accounts Payable	433	433.000.201100		774.01			774.01	
	Management Services Fund:								
	Various expenses	508	508.XXX.XXXXXX	6,128.50		(6,128.50)			(6,128.50)
	Accounts Payable	508	508.000.201100		6,128.50			6,128.50	
	Operations Center Fund:								
	Various expenses	509	509.XXX.XXXXXX	1,154.75		(1,154.75)			(1,154.75)
	Accounts Payable	509	509.000.201100		1,154.75			1,154.75	
	Workers Compensation Fund:								
	Various expenses	605	605.XXX.XXXXXX	23,347.00		(23,347.00)			(23,347.00)
	Accounts Payable	605	605.000.201100		23,347.00			23,347.00	
	<i>To adjust Accounts Payable to actual.</i>								
	(3)								
210-5.5	Electric Utility Fund:								
	Accounts receivable	402	402.000.115000	127,614.87			127,614.87		
	Sale of utilities	402	402.000.471100		127,614.87	127,614.87			127,614.87
	<i>To record large industrial electric accounts receivable at 12/31/16.</i>								
Total - All Entries				444,306.60	444,306.60	325,075.64	384,691.12	59,615.48	325,075.64



September 7, 2017

George, Bowerman & Noel, P.A.  
301 North Main, Suite 1350  
Wichita, Kansas 67202

Gentlemen:

This representation letter is provided in connection with your audit of the financial statements of the City of Winfield, Kansas, which comprise the respective financial position of the governmental activities, the business-type activities, the discretely presented component units and each major fund, and the aggregate remaining fund information as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve the omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 7, 2017, the following representations made to you during your audit:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 14, 2016, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

CITY HALL  
200 E. Ninth \* PO Box 646  
Winfield, KS 67156-0646  
620.221.5500 ph  
620.221.5590 fx

OPERATIONS CENTER  
2701 E. Ninth \* PO Box 646  
Winfield, KS 67156-0646  
620.221.5600 ph  
620.221.5591 fx

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statement for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
9. The effects of all known actual or possible litigation, claims and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the City of Winfield is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

11. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the City of Winfield from whom you determined it necessary to obtain audit evidence.

- d. Minutes of the meetings of the City Commission or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13. We have disclosed to you the results of our assessment of the risk the financial statements may be materially misstated as a result of fraud.
- 14. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
- 15. We have no knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from volunteers, former volunteers, analysts, regulators or others.
- 16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17. We have disclosed to you all known actual or possible litigation, claims and assessments whose effects should be considered when preparing the financial statements.
- 18. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

**Government - Specific**

- 19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether any recommendations have been implemented.

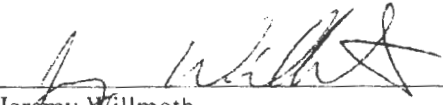
21. The City of Winfield has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities or equity.
22. We are responsible for compliance with laws, regulations, provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
23. We have identified and disclosed to you all instances that have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
24. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
25. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
26. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting and amending budgets), terms of contractual agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance.
27. As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved and accepted responsibility for those financial statements and related notes.
28. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

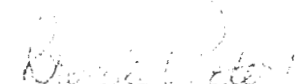
29. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.
31. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
32. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
33. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
34. Investments, derivative instruments, and land and other real estate held by endowments, if any, are properly valued.
35. Provisions for uncollectible receivables have been properly identified and recorded.
36. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
37. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments or contributions to permanent fund principal.
38. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
39. Special and extraordinary items are appropriately classified and reported, if any.
40. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
41. Capital assets, including infrastructure assets, are properly capitalized, reported and if applicable, depreciated.




42. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
43. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
44. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of RSI.
45. With respect to the combining and individual fund financial statements and schedules:
  - a. We acknowledge our responsibility for presenting the combining and individual fund financial statements and schedules in accordance with accounting principles generally accepted in the United States of America, and we believe the combining and individual fund financial statements and schedules, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual fund financial statements and schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b. If the combining and individual fund financial statements and schedules is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

**CITY OF WINFIELD, KANSAS**

  
\_\_\_\_\_  
Jeremy Willmoth  
City Manager

  
\_\_\_\_\_  
Brenda Peters  
City Clerk

  
\_\_\_\_\_  
Kim Reynolds  
City Treasurer