

Comprehensive Annual Financial Report



City of Winfield, Kansas
for Fiscal Year Ending

December 31, 2013



CITY OF WINFIELD, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

CITY COMMISSION AND MAYOR

Mayor Gregory N. Thompson
Commissioner Beth R. Wilke
Commissioner Merrill K. Gordon

CITY MANAGER

Warren Porter

CITY CLERK/DIRECTOR OF FINANCE

Brenda Peters

CITY TREASURER

Daniela Rivas

CITY OF WINFIELD, KANSAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

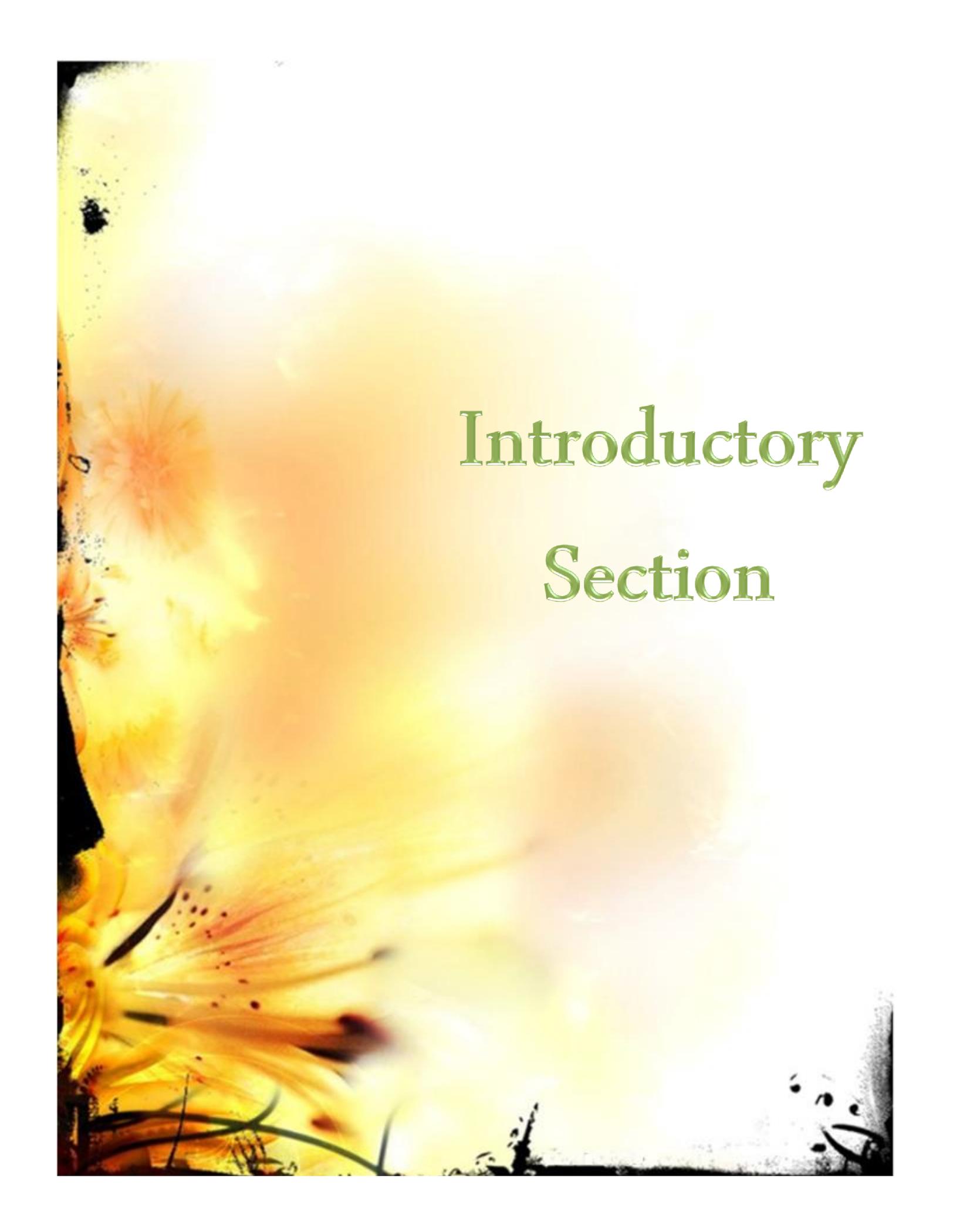
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Introductory Section



July 30, 2014

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, 2013. This report was prepared by the city's finance department. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the management of the City. We believe the report, as presented, is accurate in all material respects. We also believe it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. Finally, we believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

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

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

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

Kansas statute 75-1122 requires an annual audit of all funds of the City by independent certified public accountants. The firm of Jarrett & Norton CPAs, LLC issued an unqualified opinion on the City of Winfield's financial statements for the year ended December 31, 2013. 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 12,333 has an incorporated area of 12.35 square miles. Winfield is located in south central Kansas, less than an hour away from Wichita, and two hours from Tulsa and Oklahoma City. Winfield serves as the county seat for Cowley County, population approximately 36,204.

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

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

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

Economic Condition and Outlook

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.

Southwestern College, a private liberal arts four year institution established in 1885, has an estimated enrollment of over 1,450 students. Southwestern has made major infrastructure improvements to its facilities since 2010, including a \$4.8 million renovation of the Richard L. Jantz football stadium and the Richardson Performing Arts Auditorium.

2013 sales tax receipts increased 1.0% over the 2012 sales tax collections. Real estate property assessed valuation increased 4.57% from 2012 to 2013, reflecting steady property values. The City issued eleven single-family home permits, and a total of \$8.7 million of building permits in 2013. This is comparable to the 2012 statistics of seven single-family permits and \$14 million of building permit. 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 2012 have showed turnaround. At the end of 2013, Cowley County unemployment was at 4.7%, and decreased to 4.1% at the end of April 2014 indicating an improving employment 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 2013, the City increased water service rates which will help cover the debt for the maintenance performed on the water tower. 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 to maintain necessary city infrastructure. Years 2009 -2012 are viewed as stabilization years. The city-wide debt load has dropped from approximately \$28.6 million at the end of 2004 to \$21.5 million at the end of 2013 which includes issuing temporary notes for infrastructure projects. In 2014, the City plans to refinance existing debt and issue additional temporary notes for new infrastructure projects. 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 funds as authorized in Kansas Statutes. Additionally, the City maintains insurance policies and bonds as detailed in the Additional Information Section of this report. The City transitioned to full workers' compensation coverage in 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 2013, an average of \$9.5 million was invested for an average of 229 days, at an average rate of 0.42%.

Major Initiatives

- City of Winfield increased its single family home builds surpassing 2008 numbers.
- The City entered into a joint agreement with USD 465, Winfield Recreation Commission, and Southwestern College for the construction and operation of 7 additional tennis courts called the Vaughn Tennis Courts.
- The City entered into agreement in December 2013 to place on the ballot a 0.4% sales tax increase for a 7 year period for library renovations and street/infrastructure improvements. Voting was unanimous with 81% of voters voting in favor of the sales tax increase in February 2014. The increase will go into effect July 1, 2014.
- The Electric department invested \$1.4 million dollars to overhaul the steam turbine at the municipal power plant.
- The Island Park Playground located in north Winfield, Kansas was destroyed by fire in March of 2013. Damage sustained to the playground was extensive, most of which was insured by EMC insurance Co. The City of Winfield, members of the Playground advisory board, Winfield Rotarians, and the community as a whole regrouped for the second time in five years to determine how to rebuild the family-friendly attraction. It was decided that plans to rebuild the playground for the second time would commence.

- o The City had many street projects in 2013 including a resurfacing project with the Kansas Department of revenue on east ninth street /Highway 160 from Main Street to Loomis street. Another project included design contracts for street and utility improvements for Stewart Street, which includes the ninth block to the fourteenth block of North Main/Highway 77 which includes the seventh block to the fourth block.
- o The City of Winfield began offering residential curbside single-stream recycling services in 2013. While the program is not mandatory, it is encouraged as a means to divert the amount of waste being hauled to the Cowley County Transfer Station.
- o 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, 2012. This was the thirteenth 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 Jarrett & Norton CPA's, LLC provided independent audit services. Specific appreciation is expressed to the dedicated staff of the City accounting department. We would also like to thank members of the other City departments who assisted and contributed to this report. Finally, preparation of this report would not be possible without the support of the City Commission. We express special appreciation to them for their leadership in planning and conducting the financial operations of the City in a professional, responsible and progressive manner in the best interests of the residents of Winfield.

Respectfully submitted,



Warren Porter
City Manager



Brenda Peters
City Clerk



Daniela Rivas
City Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

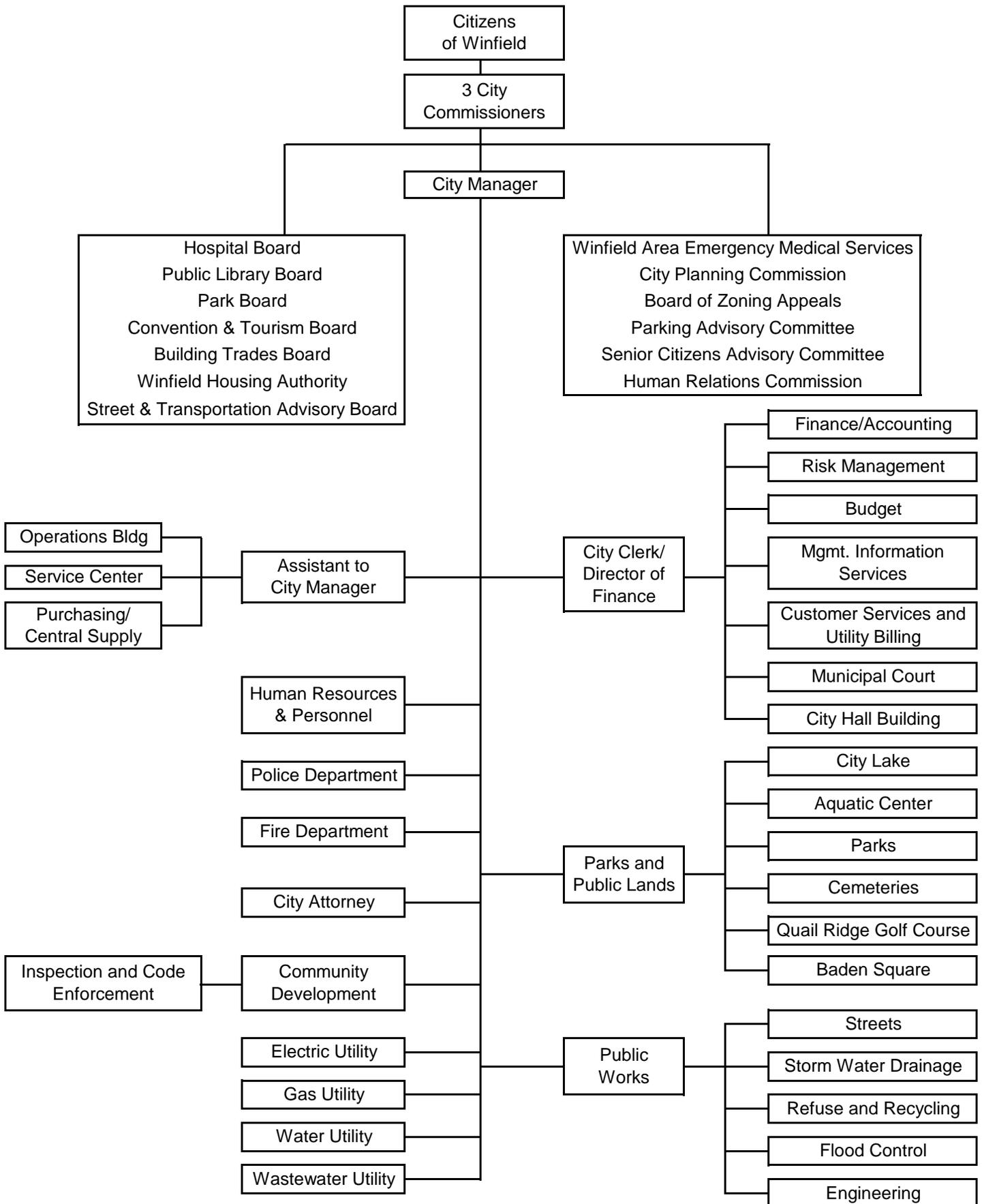
**City of Winfield
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

CITY OF WINFIELD, KANSAS ORGANIZATIONAL CHART

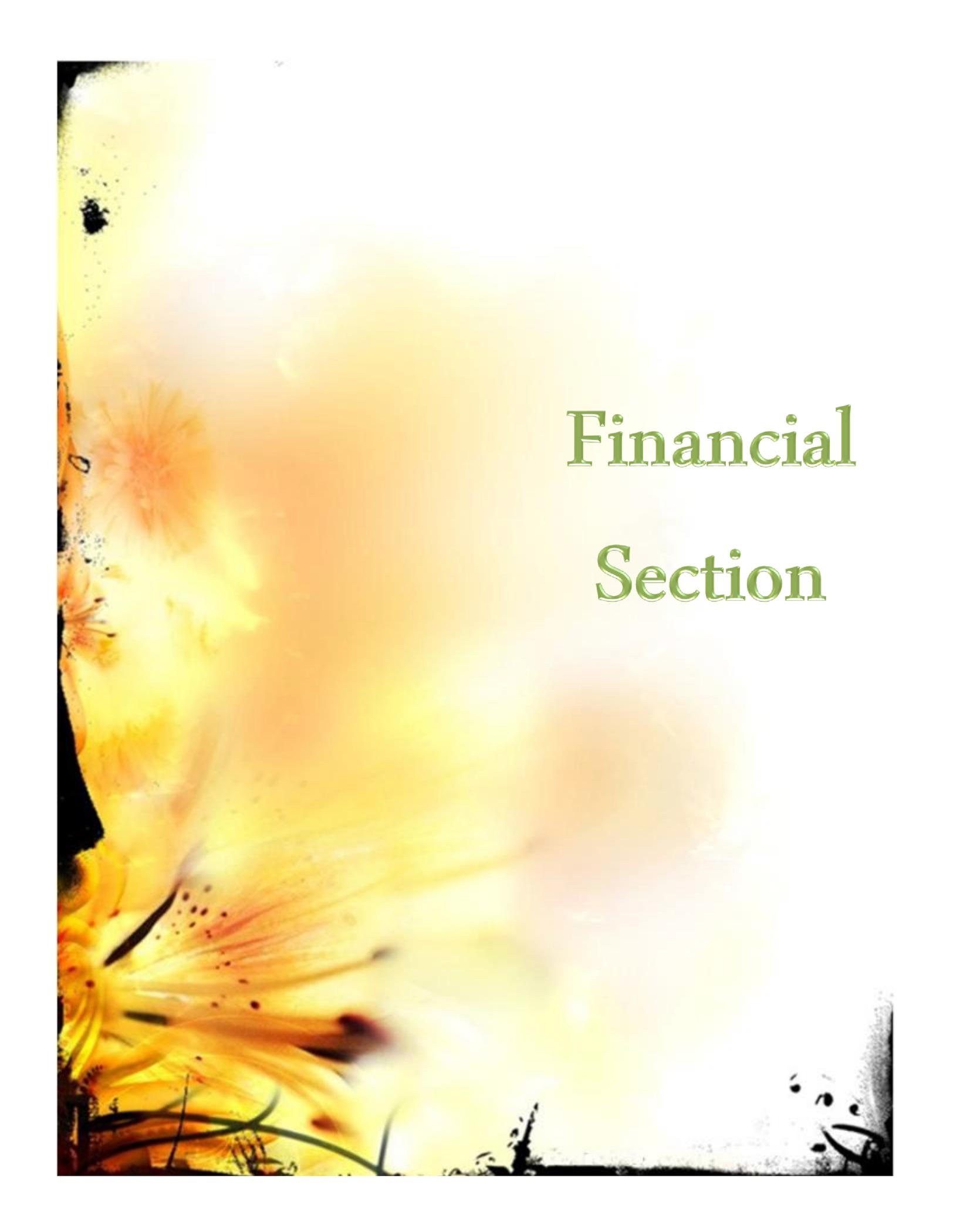


CITY OF WINFIELD, KANSAS

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2013

Mayor	Gregory N. Thompson
City Commissioner	Merrill K. Gordon
City Commissioner	Beth R. Wilke
City Manager	Warren Porter
City Attorney	William Muret
Assistant to the City Manager	Gary Mangus
City Clerk/Director of Finance	Brenda Peters
City Treasurer	Daniela Rivas
Fire Chief	Alan Stoll
Police Chief	Danny Parker
Director of Public Works/Engineering	Russell A. Tomevi
Director of Community Development	Patrick Steward
Municipal Judge	Thomas D. Herlocker
Director of Electric and Water Utilities	James Ging
Interim Director of Gas and Wastewater Utilities	Warren Porter
Director of Parks and Public Lands	Mark Olney



Financial Section



INDEPENDENT AUDITORS' REPORT

July 28, 2014

To the City Manager, and City Council
City of Winfield
Winfield, Kansas 67156

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Winfield, Kansas, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

We did not audit the financial statements of the Winfield Housing Authority and Winfield Public Library, two discretely presented component units, which represent 92 percent, 94 percent, and 51 percent, respectively, of the assets of the discretely presented Component Units, net position of the discretely presented Component Units, and revenues of the discretely presented component units.

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 Winfield Public Library and Winfield Housing Authority, two discretely presented component units, which represent 92 percent, 94 percent, and 51 percent, respectively, of the assets of the discretely presented Component Units, net position of the discretely presented Component Units, and revenues of the discretely presented component units. These 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 Winfield Public Library and Winfield Housing Authority, is based solely on the report of those auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial 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 report of other auditors, the financial statements referred to above present fairly, in all material aspects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Winfield, Kansas as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing 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 performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Winfield, Kansas basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section as listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the 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, based on our audit, the procedures performed as described above, and the report of other auditors the combining and individual nonmajor fund financial statements are fairly presented, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical sections have not been subject 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.



Jarrett & Norton CPAs, LLC

Management's Discussion and Analysis

The following discussion and analysis of the City of Winfield's financial performance provides an overview of the City financial activities for the fiscal year ended December 31, 2013. The management discussion and analysis is presented in conjunction with the transmittal letter at the front of this report and the City of Winfield's financial statements, which follow this section.

Financial Highlights for 2013

- The City's total net position decreased during the fiscal year ended 2013, approximately \$357,000
- The cost of governmental activity in 2013 was \$11.7 million, a 10% increase to 2013. The amount paid by taxpayers through either property taxes or sales taxes was \$5.9 million, or 53 percent.
- Non-current liabilities in the governmental activities decreased by \$454 thousand from 2012 to 2013.
- Non-current liabilities in the business type activities decreased by \$994 thousand from 2012 to 2013.
- General Obligation Temporary Note debt of \$2.6 million was issued in 2013.
- The general fund, on a current financial resource basis, reported \$209 thousand of revenues and other financing sources in excess of expenditures and other financing uses.
- On December 31, 2013, the General Fund reported a budgetary fund balance of \$411,913, amounting to 4.64 percent of the following year's appropriated budget.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

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

- Governmental activities – are principally supported by taxes and intergovernmental revenues. Most of the City's basic services are reported in governmental activities: police, fire, public works, streets, and stormwater drainage, cemetery, parks and recreation, health, and general administration.

- Business-type activities – are functions that are intended to recover all or a portion of their costs through user fees and charges. They include these City activities: electric production and distribution, gas distribution, water purification and distribution, refuse collection, wastewater collection and treatment, and the municipal golf course.
- Component units – The Winfield Public Library, Winfield Area Emergency Medical Services, and the Winfield Public Housing Authority are presented as component units of the City of Winfield. Complete financial statements of those individual component units can be obtained from their respective administrative addresses:

Winfield Area EMS
1300 East 5th
Winfield, KS 67156

Winfield Public Library
605 College
Winfield, KS 67156

Winfield Housing Authority
1417 Pine Terrace
Winfield, KS 67156

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

Fund Financial Statements

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

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

The City of Winfield maintained 31 individual governmental funds in 2013. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Improvements Fund, and the Debt Service Fund, all considered to be major funds. Information from the other 28 governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements beginning on page B-1.

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

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

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

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

Financial Analysis of the City

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

City of Winfield, Kansas
Net Position
As of December 31, 2013
(with comparative totals for December 31, 2012)
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Cash and investments	\$ 4,432	\$ 3,133	\$ 7,302	\$ 9,524	\$ 11,734	\$ 12,657
Other assets	6,269	7,591	7,014	5,081	13,284	12,672
Capital assets	30,522	30,282	45,639	46,724	76,160	77,006
Total assets	<u>41,223</u>	<u>41,006</u>	<u>59,955</u>	<u>61,329</u>	<u>101,178</u>	<u>102,335</u>
Deferred Outflows						
Deferred refunding	186	202	77	88	263	290
Total deferred outflows	<u>186</u>	<u>202</u>	<u>77</u>	<u>88</u>	<u>263</u>	<u>290</u>
Long-term liabilities	12,009	12,463	7,839	8,833	19,848	21,296
Other liabilities	2,426	1,927	3,512	3,376	5,938	5,303
Total liabilities	<u>14,435</u>	<u>14,390</u>	<u>11,351</u>	<u>12,209</u>	<u>25,786</u>	<u>26,599</u>
Deferred Inflows						
Deferred revenues	3,810	3,824	-	-	3,810	3,824
Total deferred inflows	<u>3,810</u>	<u>3,824</u>	<u>-</u>	<u>-</u>	<u>3,810</u>	<u>3,824</u>
Net Position:						
Net investment in Capital assets	17,623	16,851	37,120	37,305	54,743	54,156
Restricted	1,583	903	-	-	1,583	903
Unrestricted	3,958	5,240	11,561	11,903	15,519	17,143
Total net position	<u>\$ 23,164</u>	<u>\$ 22,994</u>	<u>\$ 48,681</u>	<u>\$ 49,208</u>	<u>\$ 71,845</u>	<u>\$ 72,202</u>

The City's net position decreased \$357 thousand from 2012 to the end of 2013. Approximately 76 percent of the City's net position reflect investment in capital assets (e.g. land, buildings, improvements, equipment), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently the capital assets are not available for future spending. An additional portion of these assets (less than 1 percent) represents resources that are subject to external restrictions on how they may be spent. The unrestricted portion of total net position is \$15.5 million, or 22 percent, available to meet the city's ongoing obligations.

Governmental activities - The governmental activities portion of unrestricted net position totals \$4.0 million, or 17 percent of total governmental activities net position. Capital assets, net of related debt, comprise 76 percent of

Business-type activities – The business-type activities portion of unrestricted net position total \$11.6 million, or 24 percent of total business-type activities net position. Capital assets, net of related debt, comprise 76 percent of the total net position. Long-term liabilities decreased by \$994 thousand from 2012 to 2013.

Table 2, below, summarizes total City revenues and expenses for the fiscal year ending December 31, 2013:

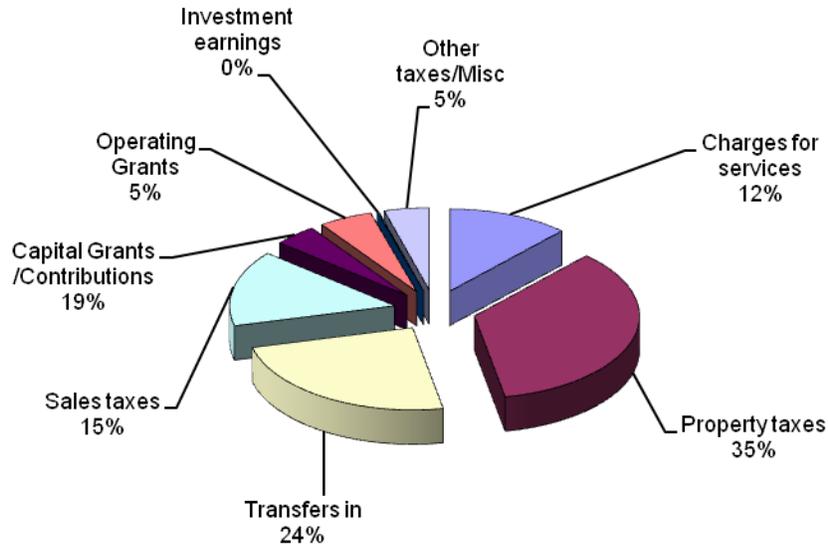
Table 2

**City of Winfield, Kansas
Changes in Net Position
As of December 31, 2013
(with comparative totals for December 31, 2012)
(in thousands of dollars)**

	Governmental Activities		Business-type Activities		Total Primary Gov't	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	\$ 1,406	\$ 1,470	\$ 35,523	\$ 36,197	\$ 36,929	\$ 37,667
Operating grants and contributions	620	646	-	-	620	646
Capital grants and contributions	499	1,118	763	86	1,262	1,204
General revenues:						
Property taxes	4,157	3,942	-	-	4,157	3,942
Sales taxes	1,766	1,744	-	-	1,766	1,744
Franchise fees	219	248	-	-	219	248
Other taxes	138	130	-	-	138	130
Miscellaneous income	161	14	-	-	161	14
Investment interest	18	11	33	24	51	35
Total revenues	<u>8,984</u>	<u>9,323</u>	<u>36,319</u>	<u>36,307</u>	<u>45,303</u>	<u>45,630</u>
Expenses						
General government	1,680	1,297	-	-	1,680	1,297
Public safety	4,468	4,588	-	-	4,468	4,588
Public works	941	1,414	-	-	941	1,414
Cemetery	170	157	-	-	170	157
Culture and recreation	3,296	1,987	-	-	3,296	1,987
Health and welfare	327	344	-	-	327	344
Economic development	164	306	-	-	164	306
Interest on debt	614	488	-	-	614	488
Electric	-	-	24,159	24,217	24,159	24,217
Gas	-	-	4,055	3,507	4,055	3,507
Water	-	-	2,353	2,433	2,353	2,433
Refuse	-	-	1,137	1,151	1,137	1,151
Wastewater	-	-	1,714	1,845	1,714	1,845
Golf course	-	-	581	682	581	682
Total expenses	<u>11,660</u>	<u>10,581</u>	<u>33,999</u>	<u>33,835</u>	<u>45,659</u>	<u>44,416</u>
Excess before transfers, special items, and prior year restatements	(2,676)	(1,258)	2,320	2,472	(357)	1,214
Transfers	2,846	2,862	(2,846)	(2,862)	-	-
Restatements	-	-	-	-	-	-
Change in net position	<u>\$ 170</u>	<u>\$ 1,604</u>	<u>\$ (526)</u>	<u>\$ (390)</u>	<u>\$ (357)</u>	<u>\$ 1,214</u>

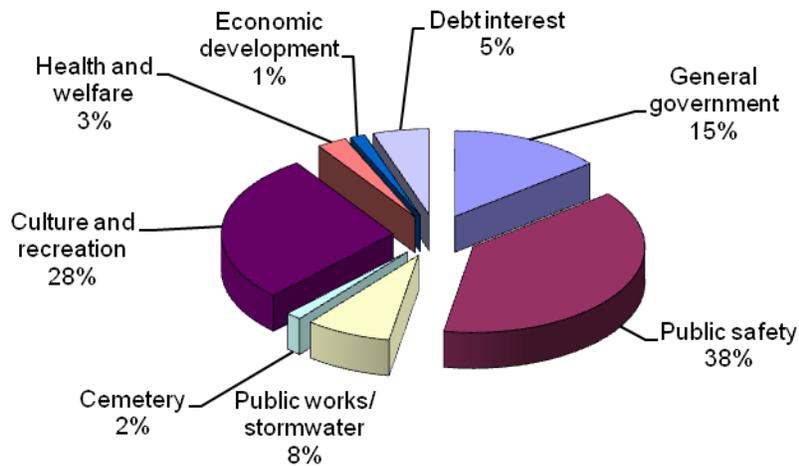
Governmental Activities - As indicated above, governmental net position increased by \$170 thousand in 2013. Total governmental expenses increased 10 percent, while revenues decreased 4 percent from 2012.

Sources of Revenue - Governmental Activities



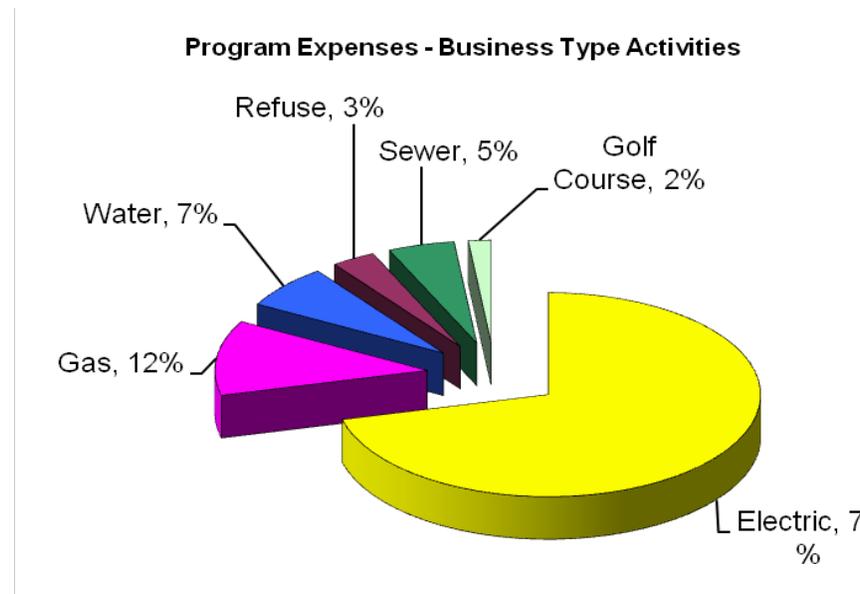
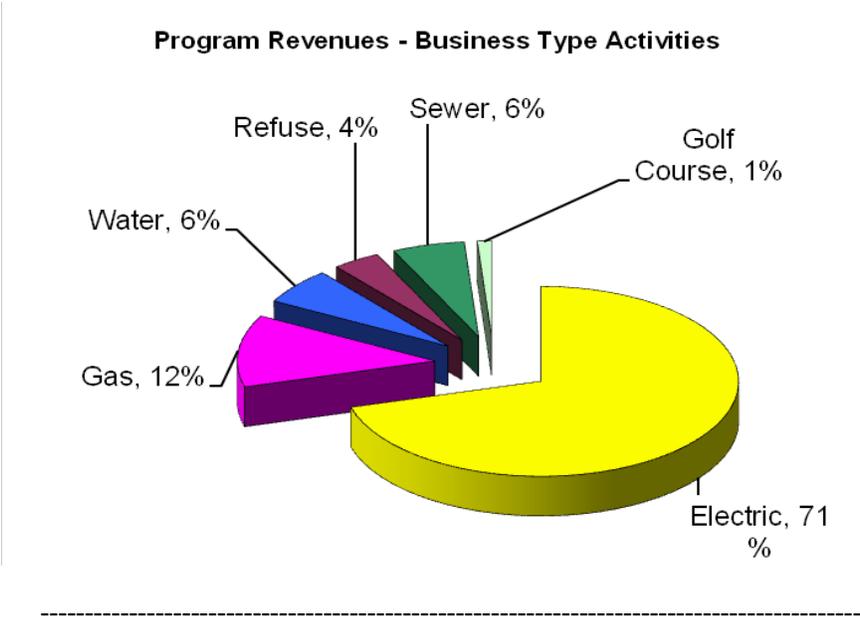
Major sources of revenue of the governmental activities continue to be property, sales, and other taxes, as illustrated in the above graph. Property taxes comprised \$4.2 million, or 35 percent of the City's governmental activities 2013 revenue. 'Other taxes' includes alcohol beverage, franchise, and transient guest taxes. The electric, gas, water, and refuse funds pay the general fund 'in lieu of' franchise fees, a set percentage of gross revenues, similar to what would be assessed third-party utility companies supplying services to Winfield citizens. These are reflected as transfers in the above chart. Operating grants included primarily public works and public safety operational and maintenance funding through the State of Kansas. Capital grants and contributions include special assessments, contributions, and federal grants revenues.

Functional Expenses - Governmental Activities



Public safety expense continues to represent the largest governmental expense, \$4.5 million, or 38 percent of the City's total governmental expenses of \$11.7 million.

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.



Highlights in the business-type activities area include:

- For business-type activities, 2013 overall expenses increased 163 thousand, from 2012, and program revenues decreased \$674 thousand.
- Electric kwh sales increased 3.81% over 2012, due to the summer heat and an increase in industry usage. 2013 operating income in the electric utility fund was \$1.7 million.
- Water gallons sales decreased 6% over 2012, due to increased rainfall and depressed water sales in 2013. Operating income in the water utility fund was negative \$182 thousand.
- Gas MCF sales increased 14% in 2012 due to colder weather. Net operating income of the gas fund was \$810 thousand in 2011 and \$244 thousand in 2012. 2013 operating income in the gas utility fund was \$314 thousand.
- The wastewater utility fund incurred a \$382 thousand operating profit in 2013. The City has increased sewer user charges in early 2008, rates to increase over a five year period, for the purpose of funding wastewater treatment plant improvements.

Financial Analysis of the Government's Funds

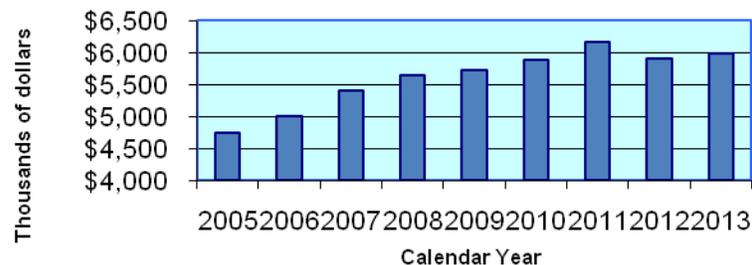
As noted earlier, the City of Winfield uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the fiscal year ending December 31, 2013, the City's governmental funds reported a combined ending fund balance of \$3.3 million, an increase of \$300 thousand in comparison to the prior year. . Approximately 46 percent of fund balance is restricted for specific purposes and 38 percent is committed or assigned by management for specific purposes. Approximately 16 percent of this total amount, \$537 thousand, constitutes unassigned fund balance, available for spending at the City's discretion

General Fund - The general fund is the major operating and taxing fund for the City of Winfield. At the close of 2013, the general fund balance was \$601 thousand, compared to \$485 thousand at the close of 2012. Excluding transfers to and from the general fund and the debt payments related to a purchase of a \$1 million fire truck, the overall general fund expenditures remained at 2012 levels, while revenues increased 2 percent.

**General Fund Revenue
(transfers excluded)
Years 2005 through 2013**



Major revenue sources in the General fund include:

- Property taxes collected were \$2.79 million. Property tax collections were 100 percent of projected revenues in 2013. The 2013 City mill levy decreased approximately 1.398 mills from 2012.
- Sales tax collected amounts to \$1.8 million. Sales tax collections were 95% of projected revenues in 2013. They are still indicative of slow upturn in the local economy.
- In 2013, total 'in lieu of' franchise fees from the other utilities decreased 3 percent, \$73 thousand less than the prior year, mainly due to the depressed water sales and increase in electric revenue. These amounts are treated as inter-fund transfers in the financial statements.

General funds expenditures, excluding transfers, totaled \$7.3 million, remained at 2012 amounts. Below is a historical trends summary by function of general fund expenditures.

**General Fund Expenses by Function
Years 2005 through 2013
(dollars in thousands)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	9 Yr Average Annual Growth
General gov't	\$ 607	\$ 837	\$ 823	\$ 768	\$ 810	\$ 782	\$ 820	\$ 910	\$ 1,054	7.0%
Public safety	3,485	4,670	3,858	4,378	4,223	4,273	4,250	4,554	4,442	3.5%
Cemetery	142	131	140	142	134	138	154	156	156	1.2%
Culture/recreation	1,240	1,083	1,072	1,178	1,079	1,207	1,251	1,269	1,235	0.2%
Health and welfare	311	290	290	294	320	315	302	328	307	0.0%
Economic development	6	16	15	10	10	10	10	10	-	3.0%
Debt service	-	-	126	126	126	126	126	125	121	0.0%
	<u>\$ 5,791</u>	<u>\$ 7,027</u>	<u>\$ 6,324</u>	<u>\$ 6,896</u>	<u>\$ 6,702</u>	<u>\$ 6,851</u>	<u>\$ 6,913</u>	<u>\$ 7,352</u>	<u>\$ 7,317</u>	3.4%

Capital Improvements Fund – The capital improvements fund’s primary revenue source is a one-half cent city sales tax. Funds were used for projects and for debt payments on prior years’ projects. The year end fund balance of \$44 thousand is a decrease of 33 percent, compared to the 2012 year end fund balance of \$67 thousand.

Debt Service Fund - The debt service fund’s fund balance increased 18 percent to \$454,282 at the end of 2013. 9.602 mills generated \$700 thousand of property taxes for fund in 2013. This mill levy has continues to remain at a relatively stable level over the last ten years, varying from 9.189 to 11.747 mills.

Other Governmental Funds – Other governmental funds’ fund balance was \$2,196,666, at the end of 2013, a decrease of \$106 thousand from the prior year.

General Fund Budgetary Highlights

Actual revenue sources in 2013 totaled 99 percent of the original 2012 budget. Revenue highlights are discussed above under ‘General Fund’. Overall 2013 expenditures increased less than one percent over 2012. The City’s unencumbered fund balance in the general fund at December 31, 2013 was \$411,913, equivalent to 4.9 percent of the 2013 general fund budgetary basis expenditures.

Capital Assets

At the end of 2013, the City had \$76 million invested, net of depreciation, in a broad range of capital assets used in both governmental and business-type activities, summarized on the following page:

Table 3

**City of Winfield, Kansas
Assets, Net of Depreciation
As of December 31, 2013
(with comparative totals for December 31, 2012)
(in thousands of dollars)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land	\$ 1,907	\$ 1,903	\$ 824	\$ 827	\$ 2,731	\$ 2,730
Infrastructure/ other improvements	20,858	20,454	31,697	31,252	52,555	51,706
Construction	104	40	-	-	104	40
Buildings and improvements	5,922	5,609	3,967	4,957	9,889	10,566
Equipment	1,731	2,276	9,151	9,688	10,882	11,964
Total	<u>30,522</u>	<u>30,282</u>	<u>45,639</u>	<u>46,724</u>	<u>76,160</u>	<u>77,006</u>

Government-wide capital assets, net of depreciation, increased 1 percent in 2013. In business-type activities, capital assets, net of depreciation, decreased 2 percent during 2013. Additional information regarding the City of Winfield's capital assets can be found in note 9, page A-48 of this report.

Long-term Debt

At the end of 2013, the City had total long-term debt of \$23 million, \$2.8 million due within the next year. Of the total debt, \$18.4 million is backed by the full faith and credit of the government, although the City's intent is to use water and sewer utility revenues to repay \$6.2 million of that \$18.4 million.

During 2013, the City issued \$2.6 million in General Obligation Temporary Notes for various infrastructure improvements. City officials have taken a conservative stance since 2010. The city has been reducing total debt, and has been working on creating a fiscal position to fund these projects with cash reserves. During 2012 and 2013, the City has taken advantage of lower interest rates by issuing temporary notes. Additional information on the city's long-term debt can be found in Note 13, pages A-50 through A-53 of this report.

Economic Factors and Next Year's Budgets

- County unemployment rates as of December 31, 2013 and April 30, 2014 were 4.8% and 4.1%, respectively. Comparable national unemployment rates were 6.7% and 6.3%, and comparable Kansas state-wide unemployment rates were 4.9% and 4.8%. The state's unemployment rate continued its descent in 2013 dropping below 5% for the first time since 2008.
- In March 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. The sales tax passed with a 81% approval indicating a recovering local economy.
- In June 2014, the City of Winfield, Kansas entered into a transition agreement where the City of Winfield will take over Winfield Area EMS operations July 1, 2014. This transition will make Winfield Area EMS operations more efficient and ensure the service remains financially viable while continuing to provide excellent emergency care. The City of Winfield will begin providing Emergency Medical Services beginning to the City of Winfield, Kansas and portions of Cowley County.
- The City of Winfield and surrounding Cowley County were not insulated from significant job losses in the nationwide recession back in 2009. While the county's various light manufacturing industries were affected negatively by the recession, the years since then have been a slow recovery. Using utility usage as an indicator, industry kwh has returned approximately 99% of 2008 pre-recession usage.
- The value of building permits in 2013 was \$8.7 million, an decrease from 2012's value of \$14 million, 313 permits were issued in 2013, compared to 324 permits issued in 2012.
- In March of 2013, The Island Park Playground located in north Winfield, Kansas was destroyed by fire. Damage sustained to the playground totaled \$732,250 of which \$634,361 was recovered from EMC insurance Co. The rebuilding of the playground began late 2013 and was completed June 2014.
- The City of Winfield continues to partner with other local governments and the private sector to maintain local economic efforts. The 2013 budget reflects a 1 percent decrease in budgeted expenditures over 2012 amounts, and 2013 revenues are anticipated to remain steady in comparison to 2012 amounts.

Requests for Information

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

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CITY OF WINFIELD, KANSAS

STATEMENT OF NET POSITION DECEMBER 31, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Pooled cash and investments	\$ 4,431,531	\$ 5,401,753	\$ 9,833,284	\$ 910,123
Receivables:				
Taxes	3,702,865	-	3,702,865	-
Special assessments	2,387,486	-	2,387,486	-
Economic development receivable	248,000	-	248,000	-
Utilities	15,932	3,560,028	3,575,960	-
Interest	-	-	-	6
Accounts	728,856	46,360	775,216	158,925
Due from other governmental agencies	60,035	-	60,035	23,421
Due from component units	-	-	-	-
Restricted cash-noncurrent	-	1,900,000	1,900,000	-
Internal Balances	(1,860,331)	1,860,331	-	-
Inventories and prepaids	256,713	1,491,750	1,748,463	41,358
Land held for resale	710,252	-	710,252	-
Capital assets, not being depreciated	2,010,377	827,527	2,837,904	52,776
Capital assets, net of accumulated depreciation	28,511,503	44,811,010	73,322,513	2,002,192
Other investments	-	11,957	11,957	-
Advances to internal service fund	20,263	-	20,263	-
Investment in joint venture	-	44,379	44,379	-
Total assets	<u>41,223,482</u>	<u>59,955,095</u>	<u>101,178,577</u>	<u>3,188,801</u>
Deferred outflows of resources				
Deferred refunding charges	185,889	77,363	263,252	-
	<u>185,889</u>	<u>77,363</u>	<u>263,252</u>	<u>-</u>
Liabilities				
Accounts payable	601,912	2,347,645	2,949,557	87,810
Accrued interest payable	99,019	54,493	153,512	-
Long-term liabilities				
Due within one year	1,725,160	1,110,219	2,835,379	71,467
Due in more than one year	12,009,257	7,838,791	19,848,048	18,493
Total liabilities	<u>14,435,348</u>	<u>11,351,148</u>	<u>25,786,496</u>	<u>177,770</u>
Deferred Inflows of resources				
Unavailable revenue- property taxes	3,562,198	-	3,562,198	-
Unavailable revenue- accounts receivable	248,000	-	248,000	-
Total deferred inflows of resources	<u>3,810,198</u>	<u>-</u>	<u>3,810,198</u>	<u>-</u>
Net Position				
Net investment in capital assets	17,623,358	37,119,806	54,743,163	2,014,720
Restricted for:				
Capital projects	123,988	-	123,988	-
Enabling legislation	998,323	-	998,323	12,952
Debt service	454,282	-	454,282	-
Cemtery Endowment - nonexpendable	6,000	-	6,000	-
Unrestricted net position	<u>3,957,874</u>	<u>11,561,504</u>	<u>15,519,378</u>	<u>983,359</u>
Total net position	<u>\$ 23,163,825</u>	<u>\$ 48,681,310</u>	<u>\$ 71,845,134</u>	<u>\$ 3,011,031</u>

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,679,541	\$ 416,522	\$ -	\$ -
Public safety	4,467,782	225,052	3,501	7,790
Public works/stormwater	940,998	146,302	616,370	-
Cemetery	170,300	51,550	-	150
Culture and recreation	3,295,984	388,829	-	-
Health and welfare	327,336	177,307	-	-
Economic development	163,584	-	-	491,245
Debt interest and related costs	613,933	-	-	-
Total governmental activities	11,659,458	1,405,562	619,871	499,185
Business-type activities:				
Electric	24,159,020	25,075,556	-	757,255
Gas	4,054,864	4,366,055	-	2,472
Water	2,352,849	2,188,618	-	2,250
Refuse	1,137,167	1,385,780	-	-
Wastewater	1,714,342	2,094,907	-	855
Golf course	581,179	411,866	-	-
Total business-type activities	33,999,421	35,522,782	-	762,832
Total primary government	\$ 45,658,879	\$ 36,928,344	\$ 619,871	\$ 1,262,017
Component Units:				
Winfield Public Library				\$ -
Winfield Area EMS				-
Winfield Housing Authority				-
Total component units	-	-	-	-

General revenues:

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

Change in net position

Net Position - beginning

Net Position - ending

See accompanying notes to financial statements

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (1,263,019)	\$ -	\$ (1,263,019)	\$ -
(4,231,439)	-	(4,231,439)	-
(178,326)	-	(178,326)	-
(118,600)	-	(118,600)	-
(2,907,155)	-	(2,907,155)	-
(150,029)	-	(150,029)	-
327,661	-	327,661	-
(613,933)	-	(613,933)	-
<u>(9,134,840)</u>	<u>-</u>	<u>(9,134,840)</u>	<u>-</u>
-	1,673,791	1,673,791	-
-	313,663	313,663	-
-	(161,981)	(161,981)	-
-	248,613	248,613	-
-	381,420	381,420	-
-	(169,313)	(169,313)	-
<u>-</u>	<u>2,286,194</u>	<u>2,286,194</u>	<u>-</u>
\$ (9,134,840)	\$ 2,286,194	\$ (6,848,646)	\$ -
\$ -	\$ -	\$ -	\$ (353,275)
-	-	-	(318,076)
-	-	-	(175,510)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(846,861)</u>
4,156,656	-	4,156,656	-
1,765,516	-	1,765,516	-
17,741	33,217	50,958	-
76,051	-	76,051	-
218,778	-	218,778	-
61,751	-	61,751	-
161,977	-	161,977	-
-	-	-	771,869
2,503,962	(2,503,962)	-	-
341,798	(341,798)	-	-
<u>9,304,230</u>	<u>(2,812,543)</u>	<u>6,491,687</u>	<u>771,869</u>
<u>169,390</u>	<u>(526,349)</u>	<u>(356,960)</u>	<u>(74,992)</u>
<u>22,994,435</u>	<u>49,207,659</u>	<u>72,202,094</u>	<u>3,086,023</u>
<u>\$ 23,163,825</u>	<u>\$ 48,681,310</u>	<u>\$ 71,845,134</u>	<u>\$ 3,011,031</u>

CITY OF WINFIELD, KANSAS

GOVERNMENTAL FUNDS BALANCE SHEET DECEMBER 31, 2013

	General Fund	Debt Service Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	\$ 640,271	\$ 463,307	\$ 60,634	\$ 929,773	\$ 2,093,984
Receivables:					
Property taxes	2,374,266	605,005	-	582,927	3,562,198
Sales and franchise taxes	140,667	-	-	-	140,667
Special assessments	57,301	2,330,185	-	-	2,387,486
Accounts	15,604	-	-	630,561	646,165
Economic development Loan	248,000	-	-	-	248,000
Due from other governmental agencies	-	44,756	-	15,279	60,035
Due from other funds	-	-	-	41,720	41,720
Assets held for resale	-	-	-	710,252	710,252
Advances to internal service funds	20,265	-	-	-	20,265
Total assets	3,496,374	3,443,253	60,634	2,910,512	9,910,773
Liabilities					
Accounts and wages payable	216,108	9,025	16,259	90,199	331,592
Due to other funds	-	-	-	41,720	41,720
Total liabilities	216,108	9,025	16,259	131,919	373,312
Deferred inflows of resources					
Unavailable revenue- property taxes	2,374,266	605,005	-	582,927	3,562,198
Unavailable revenue- special assessments	57,301	2,330,185	-	-	2,387,486
Unavailable revenue- Accounts Receivable	248,000	44,756	-	-	292,756
Total deferred inflows of resources	2,679,567	2,979,946	-	582,927	6,242,440
Fund Balances					
Fund balances					
Nonspendable	20,265	-	-	6,000	26,265
Restricted	-	454,282	44,375	998,325	1,496,982
Committed	-	-	-	291,949	291,949
Assigned	-	-	-	943,224	943,224
Unassigned	580,434	-	-	(43,833)	536,601
Total fund balances	600,699	454,282	44,375	2,195,665	3,295,021
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,496,375	\$ 3,443,253	\$ 60,634	\$ 2,910,511	\$ 9,910,773

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

**GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2013**

Total fund balances - Total governmental funds \$ 3,295,021

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

CAPITAL ASSETS

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

Land and construction in progress	\$ 2,007,127	
Buildings, net of \$3,623,244 accumulated depreciation	6,079,860	
Improvements other than buildings, net of \$5,682,943 accumulated depreciation	20,099,076	
Machinery and equipment, net of \$7,560,677 accumulated depreciation	<u>1,478,869</u>	
Total capital assets		29,664,932

STORMWATER DRAINAGE

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

180,200

BOND ISSUANCE COSTS

Issuance costs associated with new debt issued by the City in 2003-2013 were reported as expenditures in the governmental fund when the debt was issued, whereas bond issuance costs are deferred in the statement of net position. Deferred bond issuance costs are amortized, over the life of the debt issued, as an adjustment to interest expense in the statement of activities.

73,318

DEFERRED LOSS ON REFUNDING OF GENERAL OBLIGATION DEBT

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

73,404

The 2012 refunding of \$1,520,000 debt with the issuance of \$1,424,410 debt created a \$95,589 decrease in debt liability on the balance sheet. This deferred gain is amortized over the life of the new debt.

(73,629)

DEFERRED PREMIUM ON REFUNDING OF GENERAL OBLIGATION DEBT

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

(10,472)

LONG TERM RECEIVABLES

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

Balances at December 31, 2013 are:

Contractual receivables from other governmental agencies	60,035	
Deferred special assessments	<u>2,387,486</u>	2,447,521

DUE TO PROPRIETARY FUNDS

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

Advance to internal service funds (20,265)

(20,265)

INTERNAL SERVICE FUNDS

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

1,205,510

LIABILITIES

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

Balances at December 31, 2013 are:

Accrued interest payable	(99,019)	
Compensated absences	(339,221)	
Net OPEB obligation	(219,118)	
Payable to other governmental agencies	(128,000)	
General obligation bonds	(12,537,809)	
Capital leases payable	<u>(348,548)</u>	
Total liabilities not reflected in governmental funds balance sheet		<u>(13,671,715)</u>

Total net position of governmental activities \$ 23,163,825

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Debt Service Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 2,786,203	\$ 702,039	\$ -	668,413	\$ 4,156,656
Sales taxes	1,749,986	-	-	-	1,749,986
Special assessments	-	205,071	-	-	205,071
Franchise taxes	180,218	-	-	-	180,218
Intergovernmental revenue	424,267	-	-	750,588	1,174,855
Licenses and permits	46,922	-	-	-	46,922
Fines and penalties	119,892	-	-	-	119,892
Interest income	2,449	2,482	328	4,006	9,266
Use of property	104,279	-	-	-	104,279
Charges for services and sales	533,936	-	-	34,569	568,504
Other	44,024	48,683	-	567,487	660,195
Total revenues	<u>5,992,175</u>	<u>958,276</u>	<u>328</u>	<u>2,025,063</u>	<u>8,975,843</u>
Expenditures					
Current operations:					
General government	1,054,173	9,225	-	756,170	1,819,569
Public safety	4,442,298	-	-	35,828	4,478,126
Public works	-	-	-	1,026,521	1,026,521
Cemetery	156,409	-	-	6,976	163,385
Culture and recreation	1,235,355	-	-	1,814,863	3,050,218
Health and welfare	307,386	-	-	19,950	327,336
Economic development	-	-	-	163,584	163,584
Capital Outlay:	-	-	226,844	-	226,844
Debt service:					
Debt principal payments	113,892	1,675,000	-	1,378,595	3,167,487
Debt interest payments	6,997	442,751	-	1,424	451,172
Debt Issuance	-	24,515	-	-	24,515
Total expenditures	<u>7,316,511</u>	<u>2,151,492</u>	<u>226,844</u>	<u>5,203,911</u>	<u>14,898,757</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,324,336)</u>	<u>(1,193,215)</u>	<u>(226,515)</u>	<u>(3,178,848)</u>	<u>(5,922,914)</u>
Other financing sources (uses):					
Transfers in	150,000	1,347,482	950,477	543,250	2,991,209
Transfers in - Pymts In lieu of franchise fees	2,503,962	-	-	-	2,503,962
Transfers out	(1,214,027)	-	(746,251)	(12,902)	(1,973,180)
Temporary Note Proceeds	-	91,589	-	2,518,411	2,610,000
Total	<u>1,439,935</u>	<u>1,439,071</u>	<u>204,226</u>	<u>3,048,759</u>	<u>6,131,992</u>
Net change in fund balances	115,599	245,856	(22,289)	(130,088)	209,077
Fund balances, beginning of year	485,100	208,426	66,664	2,325,753	3,085,943
Fund balances, end of year	<u>\$ 600,699</u>	<u>\$ 454,282</u>	<u>\$ 44,375</u>	<u>\$ 2,195,665</u>	<u>\$ 3,295,021</u>

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

**GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013**

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

Net change in fund balances - total governmental funds \$ 209,077

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

Capital asset transactions

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

Capital outlay expenditures	1,135,382	
Depreciation	(946,408)	
Net loss on retirement/sale of governmental capital assets	<u>(128,414)</u>	
Net capital asset transactions		60,560

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

Revenues

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

Long-term receivables	(57,812)
Special assessments receivables	(204,964)

Long-term debt

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

General obligation and Temporary Note principal payments	3,000,000
Capital lease payments	149,207
Long term contractual payments	32,000
General Obligation Temporary Note Proceeds	(2,610,000)

Reclassification of cash transfers for general obligation debt payments

General obligation debt for water utility improvements is recognized as debt in the water utility fund. Under modified accrual accounting, the bond and interest fund receives cash transfers from the water fund to make the GO bond debt payments. (564,593)

Accrual of non-current items

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

Compensated absences	20,506
Net OPEB obligation	(34,492)
Interest payable	(32,750)
Amortization of debt issuance costs	(27,216)
Amortization of debt premium	2,196
Deferred revenues	(81,067)

Stormwater drainage fund reclassified as governmental-type activity

The stormwater drainage fund is included as a proprietary fund in the Proprietary Funds' Statement of Net Position, and Statement of Revenues, Expenses and Changes in Fund Net Position. It is reclassified as a governmental-type fund for the government-wide Statement of Net Position and Statement of Activities, defined as a 'public works/stormwater' function. 15,904

Allocation of internal service funds activity

Internal service funds are used by management to charge the costs of certain activities, such as management services and insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities 292,834

\$ 169,390

Change in net position of governmental activities

See accompanying notes to financial statements

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CITY OF WINFIELD, KANSAS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(Original and Final Budget)

	<u>Original Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues and other sources:			
Taxes:			
Property	\$ 2,847,885	\$ 2,786,203	\$ (61,682)
Sales	1,834,160	1,765,516	(68,644)
Franchise	230,000	218,778	(11,222)
Licenses and permits	60,000	46,922	(13,078)
Intergovernmental	401,714	424,267	22,553
Rentals, charges for services and sales	725,150	638,214	(86,936)
Fines and penalties	132,000	119,892	(12,108)
Interest earnings	2,500	2,449	(51)
Miscellaneous	36,150	44,605	8,455
Payments in lieu of taxes - utilities	2,578,643	2,503,962	(74,681)
Transfers from other funds	75,000	150,000	75,000
Total revenues and other sources	<u>8,923,202</u>	<u>8,700,809</u>	<u>(222,393)</u>
Expenditures and other uses:			
General government:			
Legal	65,983	65,860	123
Administrative	1,100,369	1,103,201	(2,832)
Cemetery maintenance	161,735	156,409	5,326
Public safety:			
Police department	2,570,050	2,434,396	135,654
Fire department	1,951,305	1,792,540	158,765
Building inspection	319,650	307,004	12,646
Parking	22,618	10,393	12,225
Culture and recreation:			
City lake	304,132	285,224	18,908
Park maintenance	796,640	780,689	15,951
Baden Square	215,408	206,884	8,524
Aquatic facility	199,925	169,443	30,482
Transfers to other funds	1,212,780	1,214,027	(1,247)
Total expenditures and other uses	<u>8,920,595</u>	<u>8,526,070</u>	<u>394,525</u>
Revenues and other sources over (under) expenditures and other uses	2,607	174,739	172,132
Unencumbered fund balance, Jan 1	<u>49,218</u>	<u>237,174</u>	<u>187,956</u>
Unencumbered fund balance, Dec 31	<u>\$ 51,825</u>	<u>\$ 411,913</u>	<u>\$ 360,088</u>

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS STATEMENT OF NET POSITION December 31, 2013

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Assets			
Current assets			
Pooled cash and investments	\$ 2,577,009	\$ 2,574,780	\$ 759,286
Utility billing receivables, net	2,246,211	-	772,234
Accounts receivable, net	33,557	-	-
Due from other governments	-	-	-
Inventories	1,227,252	-	86,349
Total current assets	6,084,029	2,574,780	1,617,869
Noncurrent assets			
Capital assets			
Land	382,366	-	6,303
Buildings and improvements	3,399,907	-	540
Improvements other than buildings	28,404,594	-	6,407,032
Machinery, equipment, other	18,663,430	-	849,238
Less accumulated depreciation	(30,953,615)	-	(2,962,274)
Net capital assets	19,896,682	-	4,300,839
Other assets			
Advances to other funds	61,599	-	6,645
Investment in joint venture	-	-	-
Other investments	11,957	-	-
Unamortized issuance costs	-	-	-
Total other assets	73,556	-	6,645
Total noncurrent assets	19,970,238	-	4,307,484
Total Assets	26,054,267	2,574,780	5,925,353

See accompanying notes to financial statements

Enterprise Funds

Water Utility Fund	Wastewater Utility Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 72,027	\$ 379,532	\$ 1,103,387	\$ 7,466,021	\$ 2,173,279
208,037	215,310	134,168	3,575,960	52,842
764	11,934	106	46,360	29,849
-	-	-	-	125,416
116,495	27,258	34,397	1,491,751	131,297
<u>397,323</u>	<u>634,034</u>	<u>1,272,058</u>	<u>12,580,092</u>	<u>2,512,683</u>
8,801	23,355	403,452	824,277	6,500
1,500,773	5,876,879	574,793	11,352,892	2,120,374
10,554,468	11,875,651	7,367,633	64,609,378	113,119
5,378,854	2,378,188	1,926,881	29,196,591	1,912,054
(7,006,405)	(10,682,961)	(4,678,873)	(56,284,128)	(2,438,151)
<u>10,436,491</u>	<u>9,471,112</u>	<u>5,593,886</u>	<u>49,699,010</u>	<u>1,713,896</u>
2,969	4,912	7,620	83,745	-
-	-	44,379	44,379	-
-	-	-	11,957	-
80,693	(3,330)	2,992	80,355	-
<u>83,662</u>	<u>1,582</u>	<u>54,991</u>	<u>220,436</u>	<u>-</u>
<u>10,520,153</u>	<u>9,472,694</u>	<u>5,648,877</u>	<u>49,919,446</u>	<u>1,713,896</u>
<u>10,917,476</u>	<u>10,106,728</u>	<u>6,920,935</u>	<u>62,499,539</u>	<u>4,226,579</u>

(Continued)

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS STATEMENT OF NET POSITION DECEMBER 31, 2013

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Liabilities			
Current liabilities			
Accounts payable	\$ 1,694,906	\$ 12,716	\$ 501,541
Accrued interest payable	-	-	-
Current portion of compensated absences payable	85,906		23,180
Current portion of long-term debt	-	-	-
Total current liabilities	1,780,812	12,716	524,721
Noncurrent liabilities			
Capital Leases	-	-	-
Temporary Notes	-	-	-
General obligation bonds	-	-	-
Deferred premium on refunding bonds	-	-	-
Accrued compensated absences	36,488	-	18,554
Net OPEB obligation	74,121	-	26,725
Advances from other funds	-	-	-
Total noncurrent liabilities	110,609	-	45,279
Total liabilities	1,891,421	12,716	570,000
Net Position			
Invested in capital assets	19,896,682	-	4,300,839
Invested in capital assets, net of related debt	-	-	-
Unrestricted	4,266,163	2,562,064	1,054,514
Total net position	\$ 24,162,845	\$ 2,562,064	\$ 5,355,353
Total liabilities and net position	\$ 26,054,266	\$ 2,574,780	\$ 5,925,353

See accompanying notes to financial statements

Enterprise Funds

<u>Water Utility Fund</u>	<u>Wastewater Utility Fund</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 42,635	\$ 19,456	\$ 76,431	\$ 2,347,685	\$ 270,281
44,997	9,496	1,556	56,049	-
30,554	18,395	26,323	184,358	112,221
439,097	482,885	85,447	1,007,429	-
<u>557,283</u>	<u>530,232</u>	<u>189,757</u>	<u>3,595,521</u>	<u>382,502</u>
-	2,098,424	-	2,098,424	-
550,000	-	-	550,000	-
4,908,093	-	181,392	5,089,485	-
40,231	-	1,694	41,925	-
-	-	13,406	68,448	91,110
29,251	22,664	24,713	177,474	95,783
-	-	-	-	104,012
<u>5,527,575</u>	<u>2,121,088</u>	<u>221,205</u>	<u>8,025,756</u>	<u>290,905</u>
<u>6,084,858</u>	<u>2,651,320</u>	<u>410,962</u>	<u>11,621,278</u>	<u>673,407</u>
-	-	-	24,197,521	1,713,896
4,499,070	6,889,803	5,327,047	16,715,920	-
333,548	565,605	1,182,926	9,964,820	1,839,276
<u>\$ 4,832,618</u>	<u>\$ 7,455,408</u>	<u>\$ 6,509,973</u>	<u>\$ 50,878,261</u>	<u>\$ 3,553,172</u>
<u>\$ 10,917,476</u>	<u>\$ 10,106,728</u>	<u>\$ 6,920,935</u>	<u>\$ 62,499,538</u>	<u>\$ 4,226,579</u>

Total net position \$ 50,878,261

Some amounts reported for business-type activities in the statement
of net position are different because certain internal service fund
assets and liabilities are included with business-type 1,776,586
Reclassification of stormwater drainage fund net position
to governmental activities net position (3,973,537)
Net position of business-type activities \$ 48,681,310

(Concluded)

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2013

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Operating revenues			
Charges for services and sales	\$ 24,889,299	\$ -	\$ 4,331,962
Other	186,257	-	34,093
Total operating revenues	<u>25,075,556</u>	<u>-</u>	<u>4,366,055</u>
Operating expenses			
Services and supplies	23,264,987	-	3,973,364
Depreciation	1,154,152	-	81,500
Total operating expenses	<u>24,419,139</u>	<u>-</u>	<u>4,054,864</u>
Operating income (loss)	<u>656,417</u>	<u>-</u>	<u>311,191</u>
Non-operating revenues (expenses)			
Investment income	13,376	7,736	5,447
Loss on joint venture	-	-	-
Amortization of debt issuance costs	-	-	-
Interest expense	-	-	-
Insurance Recoveries	-	545,135	-
Other	-	206,588	-
Total non-operating revenues (expenses)	<u>13,376</u>	<u>759,459</u>	<u>5,447</u>
Income (loss) before contributions and transfers	<u>669,793</u>	<u>759,459</u>	<u>316,638</u>
Capital contributions and transfers:			
Capital contributions	5,532	-	2,472
Insurance recoveries	-	-	-
Transfers- payments in lieu of franchise fees	(1,916,865)	-	(404,800)
Transfers in - cash	-	552,000	-
Transfers out - cash	(696,024)	-	(301,875)
Transfers in - capital assets	1,204,938	-	-
Transfers out - capital assets	-	(1,204,938)	-
Change in net position	<u>(732,626)</u>	<u>106,522</u>	<u>(387,565)</u>
Total net position - beginning	<u>24,895,471</u>	<u>2,455,542</u>	<u>5,742,918</u>
Total net position- ending	<u>\$ 24,162,845</u>	<u>\$ 2,562,064</u>	<u>\$ 5,355,353</u>

See accompanying notes to financial statements

Enterprise Funds

Water Utility Fund	Wastewater Utility Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 2,124,402	\$ 2,083,216	\$ 1,908,992	\$ 35,337,871	\$ 3,131,074
64,216	11,691	40,439	336,696	2,349,259
<u>2,188,618</u>	<u>2,094,907</u>	<u>1,949,431</u>	<u>35,674,567</u>	<u>5,480,333</u>
1,738,247	938,124	1,634,064	31,548,786	4,743,621
472,968	690,700	177,737	2,577,057	168,160
<u>2,211,215</u>	<u>1,628,824</u>	<u>1,811,801</u>	<u>34,125,843</u>	<u>4,911,781</u>
(22,597)	466,083	137,630	1,548,724	568,552
489	1,640	4,529	33,217	8,000
-	-	(719)	(719)	-
(3,829)	-	(577)	(4,406)	-
(137,805)	(85,518)	(5,398)	(228,721)	-
-	-	-	545,135	-
-	-	(17,803)	188,785	-
<u>(141,145)</u>	<u>(83,878)</u>	<u>(19,968)</u>	<u>533,292</u>	<u>8,000</u>
<u>(163,742)</u>	<u>382,205</u>	<u>117,662</u>	<u>2,082,015</u>	<u>576,552</u>
2,250	855	-	11,109	-
-	-	-	-	-
(117,147)	-	(65,150)	(2,503,962)	-
140,250	-	173,550	865,800	65,000
(39,698)	(235,000)	(20,000)	(1,292,597)	-
-	-	-	1,204,938	-
-	-	-	(1,204,938)	-
<u>(178,087)</u>	<u>148,060</u>	<u>206,062</u>	<u>(837,635)</u>	<u>641,552</u>
<u>5,010,705</u>	<u>7,307,348</u>	<u>6,303,911</u>	<u>51,715,895</u>	<u>2,911,620</u>
<u>\$ 4,832,618</u>	<u>\$ 7,455,408</u>	<u>\$ 6,509,973</u>	<u>\$ 50,878,260</u>	<u>\$ 3,553,172</u>

Decrease in net position, per fund statements	\$ (837,635)
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities	295,382
Reclassification of stormwater drainage fund activities to governmental activities	15,904
Change in net position of business-type activities	<u>\$ (526,349)</u>

CITY OF WINFIELD, KANSAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Cash flows from operating activities			
Payments to suppliers	\$ (21,392,139)	\$ -	\$ (3,308,862)
Payments to employees	(1,510,762)	-	(507,268)
Payments of claims	-	-	-
Internal activity-receipts from other funds	-	-	-
Receipts from customers	24,588,249	-	4,291,333
Other receipts (expenses)	183,015	-	34,093
Net cash provided by operating activities	<u>1,868,363</u>	<u>-</u>	<u>509,296</u>
Cash flows from noncapital financing activities			
Advances from (to) other funds	4,082	-	-
Internal activity-payments in lieu of franchise fees	(1,826,559)	-	(404,800)
Transfers (to) from other funds for debt payments	-	-	-
Transfers (to) from other funds for capital acquisition	(579,000)	552,000	-
Operating subsidies and transfers from (to) other funds	(207,330)	-	(383,375)
Net cash used by noncapital financing activities	<u>(2,608,807)</u>	<u>552,000</u>	<u>(788,175)</u>
Cash flows from capital and related financing activities			
Debt payments - principal	-	-	-
Debt payments - interest	-	-	-
Capital contributions	5,532	-	2,472
Proceeds from sale of capital assets	29,593	-	80,726
Proceeds from transmission revenue	-	182,957	-
Proceeds from insurance recoveries	-	568,766	-
Acquisition of capital assets	(451,157)	(1,483,442)	40,211
Net cash used by capital and related financing activities	<u>(416,032)</u>	<u>(731,719)</u>	<u>123,409</u>
Cash flows from investing activities			
Investment income	13,376	7,736	5,447
Net cash provided from investing activities	<u>13,376</u>	<u>7,736</u>	<u>5,447</u>
Net increase (decrease) in cash and cash equivalents	(1,143,100)	(171,983)	(150,023)
Balances - beginning of the year (includes \$200,000 in restricted accounts)	<u>3,720,109</u>	<u>2,746,763</u>	<u>909,309</u>
Balances - end of the year	<u>\$ 2,577,009</u>	<u>\$ 2,574,780</u>	<u>\$ 759,286</u>

Enterprise Funds				
Water Utility Fund	Wastewater Utility Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ (1,184,513)	\$ (518,506)	\$ (1,131,099)	\$ (27,535,119)	\$ (2,721,490)
(559,446)	(414,248)	(519,325)	(3,511,049)	(1,711,738)
-	-	-	-	(69,327)
-	-	-	-	4,595,464
2,152,877	2,058,983	1,971,558	35,062,999	4,081
64,216	10,554	37,850	329,728	865,381
<u>473,133</u>	<u>1,136,783</u>	<u>358,984</u>	<u>4,346,559</u>	<u>962,371</u>
-	-	-	4,082	(4,081)
(117,148)	-	(65,150)	(2,413,657)	-
-	-	(20,000)	(20,000)	-
-	-	-	(27,000)	65,000
100,552	(235,000)	173,549	(551,604)	-
<u>(16,596)</u>	<u>(235,000)</u>	<u>88,399</u>	<u>(3,008,179)</u>	<u>60,919</u>
(426,788)	(482,205)	(85,447)	(994,440)	-
(137,805)	(64,257)	(6,191)	(208,253)	-
2,250	855	-	11,109	-
-	3,091	-	113,410	-
-	-	-	182,957	-
-	-	-	568,766	-
<u>(65,576)</u>	<u>(303,510)</u>	<u>(332,654)</u>	<u>(2,596,128)</u>	<u>(200,841)</u>
<u>(627,919)</u>	<u>(846,026)</u>	<u>(424,292)</u>	<u>(2,922,579)</u>	<u>(200,841)</u>
489	1,640	4,529	33,217	8,000
<u>489</u>	<u>1,640</u>	<u>4,529</u>	<u>33,217</u>	<u>8,000</u>
(170,893)	57,397	27,620	(1,550,982)	830,449
<u>242,920</u>	<u>322,135</u>	<u>1,075,767</u>	<u>9,017,003</u>	<u>1,342,830</u>
<u>\$ 72,027</u>	<u>\$ 379,532</u>	<u>\$ 1,103,387</u>	<u>\$ 7,466,021</u>	<u>\$ 2,173,279</u>

(Continued)

CITY OF WINFIELD, KANSAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 656,417	\$ -	\$ 311,191
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,154,152	-	81,500
Changes in assets and liabilities:			
Receivables, net	(304,292)	-	(43,009)
Inventories/ prepaids	(83,448)	-	78,754
Compensated absences	20,124	-	(17,646)
Net OPEB obligations	12,702	-	6,055
Accounts and other payables	412,708	-	92,451
Total adjustments	1,211,946	-	198,105
Net cash provided (used) by operating activities	\$ 1,868,363	\$ -	\$ 509,296

Noncash Transactions

Assets contributed from other funds	1,204,938	-	-
Assets contributed to other funds	-	(1,204,938)	-
Loss on joint venture	-	-	-
Amortization of premium on bond issuance	-	-	-

See accompanying notes to financial statements

Water Utility Fund	Wastewater Utility Fund	Enterprise Funds		Internal Service Funds
		Other Enterprise Funds	Total Enterprise Funds	
\$ (22,597)	\$ 466,083	\$ 137,630	\$ 1,548,724	\$ 568,552
472,968	690,700	180,277	2,579,597	168,160
39,168	(12,679)	8,531	(312,281)	(6,300)
(4,355)	4,764	(2,520)	(6,805)	89,038
(14,338)	7,416	6,014	1,570	5,355
4,988	4,571	3,660	31,976	21,033
(2,701)	(24,072)	25,392	503,778	116,532
495,730	670,700	221,354	2,797,835	393,819
\$ 473,133	\$ 1,136,783	\$ 358,984	\$ 4,346,559	\$ 962,371
-	-	-	1,204,938	-
-	-	-	(1,204,938)	-
-	-	(719)	(719)	-
-	-	(577)	(577)	-

(Concluded)

CITY OF WINFIELD

FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET POSITION DECEMBER 31, 2013

	<u>Agency Funds</u>
Assets	
Pooled cash and investments	153,902
Other receivables	<u>88,636</u>
Total assets	<u>242,538</u>
Liabilities	
Accounts payable	<u>159,196</u>
Total liabilities	<u>159,196</u>
Net Position	<u><u>\$ 83,342</u></u>

See accompanying notes to financial statements

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CITY OF WINFIELD KANSAS

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CITY OF WINFIELD KANSAS

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CITY OF WINFIELD, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

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

1) Discretely Presented Component Units

Winfield Area Emergency Medical Service (WAEMS) – operates the local area ambulance service. The City appoints the Winfield Newton Memorial Hospital (WNMH) board, a related organization, who oversee the WAEMS operations and has the ability to impose its will on Winfield Area Emergency Medical Services.

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

Winfield Housing Authority - operates the City's housing projects. The City created the Winfield Housing Authority as its agent in 1978, under K.S.A 17-2340. The City appoints all board members and has the ability to impose its will on 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 agent of the City. The City has delegated to the Housing Authority the power to operate and manage the low-rent housing projects of the City. The Housing Authority is on a June 30 fiscal year end. Data included in these financial statements are for the fiscal year ended June 30, 2013.

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

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

Winfield Public Library
605 College
Winfield, KS 67156

Winfield Housing Authority
1417 Pine Terrace
Winfield, KS 67156

2) Joint Ventures

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

Strother Field Airport and Industrial Park – The Cities of Winfield and Arkansas City, Kansas entered into an interlocal agreement to create the Strother Field Commission. Three commissioners from both cities comprise the Strother Field governing body, along with one Cowley County commissioner. The two cities jointly own Strother Field. The cities provide no financial support to Strother Field. Separate audited financial statements are available from Strother Field Airport and Industrial Park, P.O. Box 747, Winfield, KS 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 and disperse unwanted or stray animals. Each City and the Society shall continue to have equal one-third (1/3) ownership interest in the shelter facility. Records and reporting are maintained by the Humane Society. The City of Winfield will contribute \$30,000 annually to the operations of the shelter and will continue to have an ongoing financial interest in the organization. Additionally, the City will contribute \$2,000 annually for capital improvements. Separate audited financial statements are available from Cowley County Humane Society, 7468 222nd Rd., Winfield, KS 67156.

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; 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 through the City of Winfield, 200 E. 9th Ave, Winfield, KS 67156. Below is a summary of 2013 revenues and expenses for the recycling center.

Recycling revenues	\$	34,054
Recycling expenses		79,888
Depreciation expense		1,438

3) Related Organizations

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

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

B. Government-Wide and Fund Financial Statements

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

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position, which is one method to measure the City's financial condition. An increase or decrease in the City's net position from one year to the next indicates whether the financial position of the City is improving or deteriorating.

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

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

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

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

Property taxes are budgeted to finance the subsequent year's operations and, consequently, are not susceptible to accrual. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Special assessments receivable that are not due within the current fiscal period and not susceptible to accrual are recorded as deferred revenue. Sales taxes and other taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. 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 during which the entitlement is received. All other revenue items are considered to be measurable and available only when cash is received.

The following major governmental funds are reported:

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

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

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

The City reports the following major proprietary funds:

The Electric Utility fund accounts for the operation and maintenance of the City's electric generation and distributions system. The City purchases electricity, and maintains a 65 KW generation capacity. Electric service is provided to more than 7,250 meters both within the City and in surrounding areas, and sold wholesale to a neighboring city.

The Gas Utility fund accounts for the operation and maintenance of the City's gas distribution system. The City purchases natural gas, and provides service to approximately 5,087 meters.

The Water Utility fund accounts for the operation and maintenance of the City's water treatment plant and the water distribution system. The Winfield City Lake provides an adequate quality water supply of water to Winfield citizens, providing water to approximately 5,000 meters. The City also provides access to water for five rural water districts and one neighboring town.

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

The City also reports the following fund types:

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

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

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

Agency funds are used to report resources held by the City in a custodial capacity for remittance of fiduciary resources to individuals, private organizations or other governments. The City has four agency funds – Sales tax: to collect and pass through sales taxes, Payroll claims: to collect and pass through payroll related liabilities and taxes, Fire Insurance Proceeds: to collect and pass through fire insurance recoveries and Flex Medical Fund to collect and pass through flexible benefit contributions.

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

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

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

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/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 the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the new amount is included as internal balances in the business type activities column. The City did 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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. Pooled Cash and Temporary Investments

Cash resources of the individual funds are combined to form a pool of cash and temporary investments. In addition to City-owned checking accounts, investments of the pooled accounts consist primarily of certificates of deposits. Interest income is allocated to the appropriate funds, based on the ratio of each individual fund cash balance to the total cash balance. The City has no formally adopted investment or credit risk policy although the City's primary objective of investment activities are in order of priority; safety, liquidity, and rate of return. The City follows Kansas law (K.S.A. 12-1675 – 12-1677) which allows monies not otherwise regulated by statute to be invested in:

- Time deposits, open accounts, or certificates of deposits with maturities of not more than four years
- Repurchase agreements with commercial banks, or State or federally chartered savings and loan associations
- United States treasury bills or notes with maturities not exceeding four years
- U.S. government agency securities with a maturity of not more than four years
- The municipal investment pool fund operated by the Kansas Treasurer. This pool is not an SEC registered pool. The Pooled Money Investment Board (PMIB) provides the regulatory oversight for this pool. The fair value of the PMIB investments approximates the value of pool shares

City manages its exposure to fair value losses arising from increasing interest rates by requiring that maturities be staggered in a way that avoids undue concentration of assets in a specific maturity sector and that investments be sufficiently liquid to meet all operating requirements which may be reasonably anticipated.

E. Property Taxes and Other Receivables

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

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

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

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/to other funds and advanced 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 the funds included in the governmental activities and business-type activities are eliminated so that only the net amount is included as internal balances in the government-wide financial statements as internal balances.

F. Revenue Recognition for Proprietary Funds

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

G. Special assessments receivable

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

H. Inventories, Advances, and Prepaid Expenses

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

I. Capital Assets

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

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

Interest incurred during the construction phase of capital assets of business-type assets is included as part of the capitalized value of the assets constructed. During 2013, the City had no net interest costs subject to capitalization.

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

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

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

Capital assets not being depreciated include land and construction in progress.

J. Payments in Lieu of Franchise Fees

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

K. Compensated Absences

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

- 4) **Sick Leave Bonus** – Any permanent full time employee who has reached the maximum ninety days sick leave accrual is eligible for the annual sick leave bonus program. For each pay period that an employee begins and ends with ninety days maximum accrued sick leave, they accrue one hour's pay at the regular rate of pay. This bonus is paid out to those employees annually.

L. Statement of Cash Flows

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

M. Estimates

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

N. Pending Governmental Accounting Standards Board Statements Affecting Financial Statements

As of December 31, 2013, the Governmental Accounting Standards board (GASB) had issued the following statements but have not been implemented by the City. These GASB statements that may impact the City include:

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", was issued in June 2012. This statement establishes accounting and financial reporting by state and local governments for pensions, including entities that participate in cost-sharing multiple-employer plans. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equipment arrangements that meet certain criteria. Also, this statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For example, cost-sharing employers participating in KPERS, such as the City of Winfield, will be required to record their proportionate share, as defined in Statement No. 68, of the KPERS unfunded pension liability. While management of the City has not yet estimated their share of the KPERS liability, it is presumed that the amount will be material to the City's financial statements. The provisions of this statement are effective for financial statements for fiscal year ending December 31, 2015.

GASB Statement No. 69, "Government Combinations and Disposals of Government Operations", was issued in January 2013. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without the exchange of significant consideration. This statement requires the use of carrying values to measure the assets and liabilities in a government merger. Conversely, government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. This statement requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. A disposal of a government's operations results in the removal of specific activities of a government. This statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This statement requires disclosures to be made about government combinations and disposals of government operation to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this statement are effective for financial statements for the fiscal year ending December 31, 2016 with earlier application encouraged.

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, was issued in April 2013. The objective of this statement is to improve accounting and financial reporting

by state and local governments that extend and receive nonexchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government that has issued an obligation guaranteed in a nonexchange transaction to report the obligations until legally released as an obligor. This statement specifies the information required to be disclosed by governments that extend nonexchange guarantees. In addition, this statement requires new information to be disclosed by governments that receive nonexchange financial guarantees. The provisions of this statement are effective for the financial statements for the fiscal year ending December 31, 2014 with earlier application encouraged.

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, was issued in November 2013. The objective of this statement is to address an issue regarding application of the transition provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Under Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances of deferred outflows and inflows of resources not be reported. This statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this statement should be applied simultaneously with the provisions of Statement 68.

O. Implemented Governmental Accounting Standards Board Statements Affecting Financial Statements dated December 31, 2013.

Newly implemented in these financial statements are the requirements of GASB statements No 62- "Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA pronouncements," incorporates into the GASB's authoritative literature certain accounting and financial guidance included in FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GSAB pronouncements. The requirements for this statement are effective for financial statements for periods beginning after December 15, 2012. The City of Winfield implemented GASB 62 for financial statements dated December 31, 2013.

2. Budgetary Control

Applicable Kansas Statutes require that annual budgets be legally adopted for all funds (including proprietary funds) unless exempted by a specific statute. Funds exempted from legally adopted budgets include all capital project funds (including capital projects of proprietary funds); three special revenue funds: the grants and contributions fund, the energy manager grant fund, and the equipment reserve fund; the electric depreciation reserve fund; all agency and fiduciary funds; and five internal service funds: the A/R financing fund, risk management reserve fund, workers' compensation reserve fund, health insurance reserve fund, and the short-term disability reserve fund. Controls over spending in funds that are not subject to legal budgets are maintained by the use of internal spending limits established by management, federal regulations, or other statutes. K.S.A. 79-2926 et seq. provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- [1] Preparation of the budget for the succeeding calendar year on or before August 1 of each year.
- [2] Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5 of each year. A minimum of ten days' notice of public hearing, published in local newspaper, on or before August 15 of each year.
- [3] Adoption of the final budget on or before August 25 of each year.

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

Kansas statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. In accordance with Kansas statutes, the legal level of control for the City is established at the individual fund level, also permitting the transfer of budgeted amounts from one object or purpose to another within the same fund. All annual appropriations lapse at the end of the year, except for

outstanding encumbrances, which carryover to the following fiscal year. Kansas statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of hearing to amend the budget. Ten days after publication, a public hearing is held and the governing body may amend the budget at that time. Budgetary data presented in the financial statements represent the original budgeted amounts, and reflect any revised budgeted amounts in a separate column. The City had budget revisions for two funds in 2013.

3. Budget/GAAP Reconciliation – General Fund

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

	<u>Net change in fund balance</u>
GAAP basis	\$ 115,599
Accrued revenue:	
December 31, 2013	(156,271)
December 31, 2012	210,943
Encumbrances:	
December 31, 2013	(12,250)
December 31, 2012	16,718
Advances to other funds	
December 31, 2013	(20,265)
December 31, 2012	<u>20,265</u>
Budgetary basis	<u>\$ 174,739</u>

4. Fund Balance Deficits

At December 31, 2013, fund balance deficits were as follows:

	<u>Fund Balance Deficit</u>
Capital Projects Fund	
Winfield Recreation Improvements	\$ (2,113)
KLINK 2013/2014	(845)
Country Club Villa Improvements	(41,720)

The Winfield Recreation Improvements fund was created in 2013, and the City has authority to issue bonds on this project. At December 31, 2013, this project was incomplete. The City created a KLINK fund in 2013 and entered into an agreement with the Kansas Department of Transportation (KDOT) authorizing an improvement project on a main traffic way of the City. This project began in late 2013 and is to be financed with general obligation temporary notes in 2014.

5. Budgetary Statements

The City of Winfield Special Streets and Highway Nonmajor Special revenue fund budgetary statements shows an unencumbered fund balance of negative \$176,616. K.S.A. 79-2934 allows reimbursed expenses to be recorded as a reduction to the original expenditure if reimbursed expenses exceed the amount budgeted for reimbursed expenses. The amount of the reimbursed expense was \$191,134 which was reimbursed in January of 2014. Per K.S.A 79-2934, the adjusted unencumbered fund balance at December 31, 2013 was \$14,518.

6. Compliance with Kansas Statutes

The City of Winfield management is aware of instances of noncompliance with Kansas statutes of the primary government during the year ended December 31, 2013. Per K.S.A.9-1402, banks are required to pledge, assign, and grant a security interest in securities, security entitlements, financial assets and securities accounts owned by the depository institution the market value of which is equal to 100% of the total deposits at any given time, and such securities, security entitlements, financial assets and securities accounts, may be accepted or rejected by the governing body of the municipality. The City was under pledged during a period of four months with two banking institutions: January and February 2013 in the amounts of \$87,532 and \$159,336 and October and November 2013 in the amounts of \$296,155.51 and \$344,221.

7. Pooled Cash Deposits and Investments

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

	Cash Held by Primary Government	Component Units	Total
Cash on hand	\$ 3,175	\$ -	\$ 3,175
Bank deposits	11,884,001	910,123	12,794,124
Total	<u>\$ 11,887,176</u>	<u>\$ 910,123</u>	<u>\$ 12,797,299</u>
Reconciliation to Statement of Net Position:			
General fund			\$ 640,271
Capital Projects fund			(203,863)
Capital improvements fund			60,634
Special revenue funds			1,127,638
Debt service fund			463,307
Permanent fund			6,000
Enterprise funds			7,466,021
Internal service funds			<u>2,173,276</u>
Total pooled cash and investments			11,733,284
Enterprise funds - restricted			<u>-</u>
Total primary government			11,733,284
Fiduciary funds			153,902
Component units			903,158
Fiduciary funds of component units			6,965
Grand Total			<u>\$ 12,797,309</u>

Custodial Credit risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits with securities held by the financial institution's agent and in the City's name. At December 31, 2013, the City's deposits were insured by federal depository insurance and uninsured deposits were fully collateralized in accordance with the City's policy except for the following. City of Winfield Management is aware of noncompliance with Kansas statute K.S.A. 9-1402 and K.S.A. 9-1405. The City was under pledged for a period of four months with two institutions. This statute states that all bonds and securities given by any bank, savings and loan association or savings bank to secure public moneys of the United States or any board, commission or agency thereof, shall be deposited as required by the United States government or any of its designated agencies. A bank, savings and loan association or savings bank which fails to pay according to its terms any deposit of public moneys of any municipal or quasi-municipal corporation shall immediately take such actions as are required to enable bonds and securities pledged to secure such deposit to be sold to satisfy its obligation to the municipal or quasi-municipal corporation.

Collateral

Below is a comparison of the City's deposits balances to banks' collateral amounts at December 31, 2013:

Market value of securities, held as collateral by banks' third party trustees	\$ 13,694,129
FDIC coverage	<u>755,931</u>
Total coverage	14,450,060
Total City cash deposits, per bank	<u>11,978,854</u>
Excess coverage, December 31, 2013	<u>\$ 2,471,206</u>

Investments

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

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

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

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

Credit Risk and Concentration of Credit Risk

The City's investment option types are very limited, which inherently reduces credit risk. State statutes do not address concentration of credit risk. The City invests monies based on highest interest rate bids from local banking institutions. Below is a summary of the City's investments at December 31, 2013

:

Investment Type	Amount	Percentage
Collateralized Time deposits	<u>\$8,900,000</u>	<u>100%</u>

Interest Rate Risk

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

As of December 31, 2013, the City's investments portfolio had the following investments and maturities:

Investment Type	Total	6 months or less	6 to 12 months	12 to 24 months
Cash and Time Deposits	<u>\$8,900,000</u>	<u>\$4,500,000</u>	<u>\$4,000,000</u>	<u>\$400,000</u>

8. Receivables

A. Utility Receivables

The City operates six utilities. Prior to 2008, the utility receivables were "sold", for the estimated net amount collectible, to a consolidated Accounts Receivable Financing Fund. Beginning in 2008, a new utility billing software system allows the City to track utility receivable activity for each individual utility fund. Below is a summary of the utility receivables at December 31, 2013.

	Utility Receivables	Less provision for uncollectible accounts	Net Utility Receivables
Electric utility	\$ 2,537,995	\$ (291,784)	\$ 2,246,211
Gas utility	853,375	(81,140)	772,234
Water utility	239,414	(31,378)	208,037
Refuse utility	138,464	(20,228)	118,237
Wastewater utility	244,619	(29,310)	215,309
Stormwater utility	18,363	(2,431)	15,932
Receivables reflected in utility funds	4,032,229	(456,270)	3,575,960
Plus Accounts receivable financing fund	184,391	(146,288)	38,103
Total utility receivables, net of provision for uncollectible accounts	<u>\$ 4,216,620</u>	<u>\$ (602,558)</u>	<u>\$ 3,614,063</u>

The total bad debt expense on utility receivables for the fiscal year 2013 amounted to \$56,775, and is allocated to the utility funds in proportion to their utility receivable balances.

B. Long-term Receivables

The City entered in several interlocal agreements in prior years with other local governmental entities, related to debt financing and repayment arrangements. The City included project costs of these entities in general obligation bond issues, and the interlocal agreements provide for repayment of the principal, interest, and issuance costs to the City over set time periods. These receivables are included in governmental activities of the "Statement of Net Position". Because the receivables are not considered to be available to liquidate liabilities of the current fiscal year, they are not reflected in the debt service fund in the Governmental Funds Balance Sheet. Below is a summary of the receivables as of December 31, 2013.

	Total Payments Due	[1]Strother Field Ind Park	[2] Winfield USD #465
2014	12,811	6,434	6,377
2015	12,811	6,434	6,377
2016	6,378	-	6,378
2017	6,378	-	6,378
2018	6,378	-	6,378
	<u>\$ 44,756</u>	<u>\$ 12,868</u>	<u>\$ 31,888</u>

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

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

C. Economic Development Loan Receivable

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

9. Deferred Outflows of Resources and Deferred Inflows of Resources

Governmental funds report deferred inflows of resources in connection for revenues that are not considered to be available to liquidate liabilities of the current period. In accordance with Kansas statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1st of each year. Consequently, for revenue recognition, the taxes levied during the current year are not due and receivable until the ensuing year. These taxes are recorded as deferred inflows of resources in the fund financial statements. Similarly, special assessment taxes are levied over a 10 to 20 year period. The taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund with a corresponding amount recorded as deferred inflows of resources in the fund financial statements. Below is a summary of the deferred revenue reported in the governmental funds.

Fund	Unavailable
Property taxes receivable	
General	\$ 2,374,266
Debt Service	605,005
Other Governmental	582,927
Special assessments receivable	
General	57,301
Debt Service	2,330,185
Unearned revenues	
General	248,000
Debt Service	44,756
Total	\$ 6,242,440

10. Changes in Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2013 was as follows:

	Balance January 1	Capital Acquisitions	Dispositions	Transfers/ Reclassifications	Balance December 31
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,906,714	\$ -	\$ -	\$ -	\$ 1,906,714
Construction in progress	39,662	64,001	-	-	103,663
Total capital assets, not being depreciated	<u>\$ 1,946,376</u>	<u>\$ 64,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,010,377</u>
Capital assets, being depreciated:					
Buildings	\$ 10,763,293	\$ -	\$ -	\$ -	\$ 10,763,293
Other improvements/infrastructure	25,220,877	617,702	-	-	25,838,579
Machinery and equipment	10,175,826	638,120	(866,124)	53,064	10,000,886
Total capital assets, being depreciated	<u>46,159,996</u>	<u>1,255,822</u>	<u>(866,124)</u>	<u>53,064</u>	<u>46,602,758</u>
Less accumulated depreciation for:					
Buildings	(3,872,769)	(222,154)	-	-	(4,094,923)
Infrastructure	(5,388,947)	(324,203)	-	-	(5,713,150)
Machinery and equipment	(7,745,466)	(638,202)	132,222	(31,736)	(8,283,182)
Less accumulated depreciation	<u>(17,007,182)</u>	<u>(1,184,559)</u>	<u>132,222</u>	<u>(31,736)</u>	<u>(18,091,255)</u>
Total capital assets, being depreciated, net	<u>\$ 29,152,814</u>	<u>\$ 71,263</u>	<u>\$ (733,902)</u>	<u>\$ 21,328</u>	<u>\$ 28,511,503</u>
	Balance January 1	Additions	Deletions	Transfers/ Reclassifications	Balance December 31
Business activities:					
Capital assets, not being depreciated:					
Land	\$ 827,527	\$ -	\$ -	\$ -	\$ 827,527
Construction in Progress	-	-	-	-	-
Total capital assets, not being depreciated	<u>\$ 827,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 827,527</u>
Capital assets, being depreciated:					
Buildings	\$ 11,307,011	\$ 3,754	\$ -	\$ -	\$ 11,310,765
Other improvements/infrastructure	58,737,142	1,888,844	(662,467)	(3,692)	59,959,827
Machinery and equipment	28,801,561	444,754	(182,523)	(15,999)	29,047,793
Total capital assets, being depreciated	<u>98,845,714</u>	<u>2,337,352</u>	<u>(844,990)</u>	<u>(19,691)</u>	<u>100,318,385</u>
Less accumulated depreciation for:					
Buildings	(6,970,898)	(415,528)	-	-	(7,386,426)
Infrastructure	(27,513,243)	(1,279,590)	672,729	-	(28,120,104)
Machinery and equipment	(19,308,920)	(817,905)	94,244	31,736	(20,000,845)
	<u>(53,793,061)</u>	<u>(2,513,023)</u>	<u>766,973</u>	<u>31,736</u>	<u>(55,507,375)</u>
Total capital assets, being depreciated, net	<u>\$ 45,052,653</u>	<u>\$ (175,671)</u>	<u>\$ (78,017)</u>	<u>\$ 12,045</u>	<u>\$ 44,811,010</u>

11. Depreciation Allocations

Depreciation expense in 2013 was charged to function/programs of the primary government, as follows:

Governmental activities:	
General government	\$ 255,155
Public safety	212,584
Public works	350,867
Cemetery	7,719
Culture and recreation	274,152
Total depreciation expense - governmental activities	<u>\$ 1,100,477</u>
Business-type activities:	
Electric	1,237,113
Gas	130,720
Water	476,817
Refuse	47,468
Wastewater	644,886
Golf course	60,279
Total depreciation expense - business-type activities	<u>\$ 2,597,283</u>

12. Capital Projects

At December 31, 2013, the City had the following major improvement/construction projects in progress:

	Amount Authorized	Expenditures Project To-Date	Construction Commitments at 12-31-13
[a] Country Club Villa Water, Streets, Sewer and Drainage Improvements	\$ 177,000	\$ 42,980	\$ -
[b] Geometric KLINK Main St.	\$ 150,000	\$ 835	\$ 86,165
[c] Stewart Street	\$ 1,700,000	-	\$ 77,395
[d] Gottlob Business Park Construction	\$ 3,393,858	\$ 3,131,250	-
[e] Vaughn Tennis Courts	\$ 802,818	\$ 777,389	\$ 88,540
[f] Winfield Rec Expansion	\$ 735,000	\$ 502,113	-

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

[b] In March 2013, the City entered into an agreement with the Kansas Department of Transportation (KDOT) authorizing a Geometric improvement project. This project began in late 2013 and is to be financed with general obligation temporary notes in 2014.

[c] In October 2013, The City began a street replacement and utility upgrades project on Stewart street between 9th and 14th Ave. The project began late 2013 and is to be financed with general obligation temporary notes in 2014.

[d] In April 2012, the City established Gottlob Business Park, an industrial and economic development project of approximately 100 acres. The new park is adjacent to the existing Winfield Industrial Park. A development agreement was made with Insite Winfield LLC for the City to provide road improvements, and, electric, water, sewer, and gas utility improvements to a 40 acre area, owned by Insite Winfield LLC. In conjunction with this project, the City purchased 60 acres of land, adjoining the Insite land. This land is to be held for future industrial and economic development. The City issued General Obligation Temporary Notes issue of \$3,960,000 for this project. \$3,410,000 was authorized for this project in addition to a state capital grant of \$1,000,000 and Federal exchange funds in the amount of \$47,152.

[e] In February 2013, the City entered into an agreement with the Unified School District 465, Southwestern College, and the Winfield Recreation Commission to expand and improve the tennis court facilities located on the south end of Whittier Elementary school. The City has taken on the roll of issuing debt and managing the expenditures of this project. The city was authorized for debt funding and financed with General Obligation Temporary Notes. Debt repayment will include monies collected from all three organizations. A resolution was passed in March of 2013 executing a contract to begin the first phase of the T.H. Vaughan Tennis Court Construction. This project was completed in 2013.

[f] In April 2013, the City entered into an agreement authorizing for the construction of improvements to the Winfield Recreation Center, an existing Public Building in the City of Winfield, Kansas but operated by the Winfield Recreation Commission. The Winfield Recreation Commission developed a plan for the improvements at an estimated cost of \$700,000 and requested the City finance a portion of the costs by the issuance of General Obligation Temporary Notes for a total of \$500,000. Debt repayment is the responsibility of the Winfield Recreation Commission. This project was completed in 2013.

13. General Obligation Temporary Notes Series 2013-1

Kansas law permits the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds. Prior to the issuance of the temporary notes, the City must take the necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance. These notes were issued for multiple projects which include the constriction improvements of the T.H. Vaughan Tennis Courts, the Winfield Recreation Center improvements and various equipment purchases. All projects were completed in 2013. The maturity date for these temporary notes is August 1, 2014. Below is a listing of temporary notes payable at December 31, 2013:

Year of	Interest Rate	Original Debt	Amount Outstanding at December 31
2012	0.80%	\$3,910,000	\$2,635,000
2013	0.90%	\$2,610,000	\$2,610,000
		<u>\$6,520,000</u>	<u>\$5,245,000</u>

14. Long-Term Debt

A. Capitalized Lease Obligations

The City has entered into lease agreements as lessee for financing the purchase of several assets. Such leases qualify as capital leases for accounting purposes and, accordingly, have been recorded at the present value of the minimum payments at the date of lease inception. The total cost of those assets being

purchased through capital leases amount to \$3,765,000. Of that total, \$460,000 is governmental activities assets, and \$3,305,000 is business type activities assets. Below is a listing of the capital leases payable at December 31, 2013.

	Interest Rate	Balance December 31
Governmental activities		
Aerial fire truck	4.57%	\$ 348,548
Business activities		
Wastewater treatment plant	2.20%	2,581,309

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

Year Ending Dec 31	Governmental Activities	
	Principal	Interest
2014	120,890	113,892
2015	120,889	116,178
2016	120,864	118,478
2017	-	-
	<u>362,643</u>	<u>\$ 348,548</u>
		<u>\$ 14,095</u>

Year Ending Dec 31	Business-Type Activities	
	Principal	Interest
2014	548,239	493,665
2015	548,239	504,685
2016	548,238	515,951
2017	548,239	527,469
2018	548,534	539,539
	<u>2,741,489</u>	<u>\$ 2,581,309</u>
		<u>\$ 160,180</u>

B. General Obligation Bonds Payable

General obligation bonds outstanding at December 31, 2013 are as follows:

	Interest Rate	Final Maturity Date	Total 12/31/2013
[1] Series 2005A GO	3.70-4.30	2021	530,000
[2] Series 2005B GO refunding	3.35-4.00	2019	1,095,000
[3] Series 2006A GO	3.60-4.50	2021	560,000
[4] Series 2008A GO	3.625-4.3	2026	3,305,000
[5] Series 2010A GO refunding	2.00-3.10	2025	6,500,000
[6] Series 2012A GO refunding	.80-1.60	2018	1,200,000
			<u>\$ 13,190,000</u>

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

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

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

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

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

[6] Series 2012A GO refunding issue refunded Series 2002B GO Bonds which refunded the 1996 Series 154 bonds that financed the aquatic center and three special assessment districts. This bond also refinanced Series 2003A GO bonds which provided financing for municipal building capital improvements and a section of Bliss Street drainage and street improvements.

All of the above general obligation bonds are capital-related debt of the governmental activities.

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

Year Ending Dec 31	Total	Principal	Interest
2014	2,124,362	1,740,000	384,362
2015	2,110,807	1,770,000	340,807
2016	1,884,569	1,590,000	294,569
2017	1,650,347	1,400,000	250,347
2018	1,559,835	1,350,000	209,835
2019-2023	4,810,917	4,290,000	520,917
2024-2028	1,089,484	1,050,000	39,484
	<u>\$ 15,230,321</u>	<u>\$ 13,190,000</u>	<u>\$ 2,040,321</u>

C. Other Long-Term Debt

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

Below is a summary of these liabilities at December 31, 2013:

	Governmental Activities
Animal shelter	<u>\$ 128,000</u>

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

Year Ending Dec 31	Total
2014	\$ 32,000
2015	32,000
2016	32,000
2017	32,000
	<u>\$ 128,000</u>

D. Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2013 is as follows:

	Balance January 1	Additions	Payments	Balance December 31	Due within one year
Governmental Activities					
General obligation bonds	\$ 9,091,021	\$ -	\$ 1,248,212	\$ 7,842,809	\$ 1,299,177
Capital leases	497,755		149,208	348,547	113,867
Temporary Notes	3,410,000	2,610,000	1,325,000	4,695,000	-
Interlocal agreement debt	38,255	128,000	38,255	128,000	32,000
Net unamortized premiums	16,055	-	3,889	12,166	2,196
Employee compensated absences	323,600	322,000	204,714	440,886	277,920
Net other post employment benefits obligation	174,109	45,009	-	267,009	-
Total long-term liabilities - governmental activities	<u>\$ 13,550,795</u>	<u>\$ 3,105,009</u>	<u>2,969,278</u>	<u>\$ 13,734,417</u>	<u>\$ 1,725,160</u>

	Balance January 1	Additions	Payments	Balance December 31	Due within one year
Business-type Activities					
General obligation bonds	5,773,979	-	426,788	5,347,191	439,097
Temporary Notes	550,000	-	-	550,000	-
Capital leases	3,063,898	-	482,589	2,581,309	482,885
Net unamortized premiums	44,110	-	3,879	40,231	3,879
Employee compensated absences	371,928	235,436	354,560	252,804	184,358
Net other post employment benefits obligation	182,873	42,493	47,892	177,474	-
Total long-term liabilities - business-type activities	<u>\$ 9,986,788</u>	<u>\$ 277,929</u>	<u>1,315,708</u>	<u>\$ 8,949,010</u>	<u>\$ 1,110,219</u>

Generally, compensated absences are liquidated by the specific governmental funds that pay the employees' salaries and benefits. The net investment in capital assets only includes debt related to the acquisition, construction or improvement of capital assets, not all long-term liabilities.

E. Conduit Debt Obligations

From time to time the City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. In 2013, \$810,705 of conduit debt was paid. In addition, Lionheart Real Estate Holdings added \$1,900,000 to the total. At December 31, 2013, there were eight series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$50,478,755.

15. Interest Expense

Below is a summary of the interest expense related to debt for the fiscal year 2013:

	Total Interest Expense	Governmental Activities	Business Activities
General obligation bonds	\$ 396,547	\$ 261,103	\$ 135,444
Capital leases	82,300	18,043	64,257
Certification of Participation	-	-	-
	<u>\$ 478,847</u>	<u>\$ 279,146</u>	<u>\$ 199,701</u>

16. Long-Term Operating Leases

The City leases certain equipment and real estate under long-term non-cancelable operating leases from third-party vendors. Below is a summary of the non-cancelable minimum future rental payments at December 31, 2013:

Year Ending December 31	Total	Governmental Activities	Business-type Activities
2014	26,252	17,852	8,400
2015	26,252	17,852	8,400
2016	8,400	-	8,400
2017	8,400	-	8,400
2018	6,300	-	6,300
Total minimum future rentals	<u>\$ 75,604</u>	<u>\$ 35,704</u>	<u>\$ 39,900</u>

Expenditures in the government-wide governmental and business-type activities for 2013 include \$17,852 and \$8,400 respectively, of operating lease payments.

17. Inter-fund Transfers

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which the resources are received or reside to the fund in which the resources will be expended. All transfers were budgeted transfers, transfers of resources to the funds actually expending the funds, or construction fund balances transferred to the bond and interest fund for debt repayment. Below is a summary of 2013 inter-fund cash transfers:

<u>Transfers from</u>	<u>Transfers to</u>			
	General	Bond and Interest	Capital Improv	Nonmajor Gov'tl
Primary Government:				
General	\$ -	\$ -	\$ 887,758	\$ 326,269
Capital Improv	75,000	671,251	-	-
Nonmajor Gov'tl	-	-	12,719	41,743
Electric	1,916,865	-	-	121,260
Gas	404,800	-	-	11,000
Water	117,148	564,593	-	39,698
Refuse	65,150	-	-	-
Wastewater	75,000	-	50,000	110,000
Stormwater	-	111,638	-	-
Total Reporting Entity	<u>\$ 2,653,963</u>	<u>\$ 1,347,482</u>	<u>\$ 950,477</u>	<u>\$ 649,970</u>

<u>Transfers from</u>	<u>Transfers to (continued)</u>			
	Major Enterprise	Electric Dep Reserve	Nonmajor Enterprise	Totals
General	\$ -	\$ -	\$ -	\$ 1,214,027
Capital Improvements	-	-	-	746,251
Nonmajor Governmental	-	-	-	54,462
Electric	552,000	-	-	2,590,125
Gas	140,250	-	171,550	727,600
Water	-	-	-	721,439
Refuse	-	-	-	65,150
Wastewater	-	-	-	235,000
Stormwater	-	-	-	111,638
Total Reporting Entity	<u>\$ 692,250</u>	<u>\$ -</u>	<u>\$ 171,550</u>	<u>\$ 6,465,692</u>

In addition, the City transferred funds to the following component units in 2013:

<u>Transfers from</u>	<u>Winfield Public Library</u>	<u>Winfield Emer Mgmt Services</u>
Primary Government:		
Library Fund	\$ 492,249	-
General Fund	-	\$ 283,000

18. Interfund Receivables/Payables

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

	<u>Interfund Advances from</u>	<u>Interfund Advances to</u>
Governmental funds:		
General Fund	\$ 20,265	\$ -
Special Improvements	41,720	-
Capital Projects	-	41,720
Business-type funds:		
Electric	61,599	-
Gas	6,645	-
Water	2,969	-
Sewer	4,912	-
Subtotal	<u>138,110</u>	<u>41,720</u>
Nonmajor business-type funds:		
Refuse	7,620	-
Subtotal	<u>7,620</u>	<u>-</u>
Internal Service funds:		
Fleet management	-	69,998
Utility receivables financing	-	34,012
Subtotal	<u>-</u>	<u>104,010</u>
Total	<u>\$ 145,730</u>	<u>\$ 145,730</u>

19. Net Position and Fund Balances

A. Net Position

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

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

Restricted describes the portion of Net Position whose use is not subject solely to the City's own discretion. This includes resources subject to externally imposed restrictions, such as creditors, grantors, contributors, other governments' regulations, and other enabling legislation. Included in governmental-type restricted assets is \$998,325 of net position restricted by legally enforceable enabling legislation

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

It is the City's policy to apply restricted resources prior to the use of unrestricted resources, when the option is available. When an expenditure is made and multiple fund balance classifications are available, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

B. Fund Balances

Government Accounting Standards Board (GASB) 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, became effective for the City beginning with fiscal year 2011. The purpose of GASB Statement 54 is to improve the reporting of fund balance. This statement also clarifies certain terms used in the definition of existing governmental fund types so that classifications are more easily understood and can be applied consistently between information reported in the government-wide financial statements and the governmental fund financial statements. As prescribed by GASB Statement No. 54, 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 spent.

In accordance with GASB Statement 54, the City classifies governmental fund balances according the City of Winfield Fund Balance Policy established by the City Commission as follows:

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

The governmental fund balance classifications and amounts at December 31, 2013, are shown in the following table:

	Total Governmental Funds	General	Bond and Interest	Capital Improvements	Other Non-major Governmental
Nonspendable:					
Advance to Other Funds	\$ 20,265	\$ 20,265	\$ -	\$ -	\$ -
Cemetery	6,000	-	-	-	6,000
	<u>26,265</u>	<u>20,265</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Restricted for:					
Capital Improvements	44,375	-	-	44,375	-
Court Programs	-	-	-	-	-
Culture/Recreation	123,079	-	-	-	123,079
Debt Service	454,282	-	454,282	-	-
Drug/Alcohol Programs	20,569	-	-	-	20,569
Energy Grant	-	-	-	-	-
Equipment Acquisition	528,709	-	-	-	528,709
Legal/Uninsured Liabilities	136,746	-	-	-	136,746
Levee Maintenance	49,288	-	-	-	49,288
Library	-	-	-	-	-
Police/Public Safety	59,060	-	-	-	59,060
Tourism Development	80,874	-	-	-	80,874
	<u>1,496,982</u>	<u>-</u>	<u>454,282</u>	<u>44,375</u>	<u>998,325</u>
Committed for:					
Capital Improvements	-	-	-	-	-
Cemetery Improvements	93,935	-	-	-	93,935
Fairgrounds Improvements	99,134	-	-	-	99,134
Streets Maintenance	34,727	-	-	-	34,727
Water Quality Programs	64,153	-	-	-	64,153
	<u>291,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,949</u>
Assigned for:					
Capital Projects	940,438	-	-	-	940,438
Senior Citizens Programs	2,786	-	-	-	2,786
	<u>943,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>943,224</u>
Unassigned	<u>536,601</u>	<u>580,434</u>	<u>-</u>	<u>-</u>	<u>(43,833)</u>
Totals	<u>\$ 3,295,021</u>	<u>\$ 600,699</u>	<u>\$ 454,282</u>	<u>\$ 44,375</u>	<u>\$ 2,195,665</u>

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

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executed contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve portion of applicable appropriations. As of December 31, 2013 the City had a total of \$1.46 million in encumbrances.

20. Changes in Accounting Principle

By their very nature, internal service funds involve duplication that needs to be eliminated in the process of consolidation. In previous years, residual balances at year end of government activity were reported as "due to" and "due from" other funds and "advances to" and "advances from" other funds. While these balances are reported in the fund financial statements, certain eliminations were made in the preparation of the government-wide financial statements. Internal activity was split between governmental activities column and business type activities column. With the implementation of GASB statement 62 "Codification of Accounting and Financial Reporting Guidance contained in Pre-November 30, 1989 FASB and AICPA pronouncements," residual balances will continue to be eliminated at year end but rather than reporting "due to" and "due from" accounts, GASB suggests the use of an account called internal balances. The internal balances account will be reported as an asset account. Any "due from" amounts are to be reported as a positive internal balance amount. A "due to" amount would be reported as a negative internal balance amount. The cumulative effect of net position on the government wide financial statement is not affected. These new requirements will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source.

21. Defined Benefit Pension Plan

Plan description

The City of Winfield participates in the Kansas Public Employees Retirement System (KPERs) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost sharing multiple-employer defined benefit pension plans as provided by Kansas law. KPERs and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs and KP&F issue a publicly available financial report (only one is issued) that includes financial statements and require supplementary information. Those may be obtained by writing to KPERs (611 South Kansas Avenue, Suite 100, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

Funding policy

K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4-6% of covered salary. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERs and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates for KPERs employers. The KPERs employer rate established for the period January 1, 2013 through December 31, 2013 is 8.79%. The City of Winfield employer contributions to KPERs for the years ended December 31, 2013, 2012, and 2011 were \$524,583, \$506,121, and \$425,636, respectively, equal to the statutory required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2013 is 20.76%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City of Winfield contributions to KP&F for the years ended December 31, 2013, 2012, and 2011, were \$447,068, \$440,048, and \$377,193, respectively, equal to the statutory required contributions for each year.

22. Defined Contribution Plan

The City established a 401(a) money purchase deferred compensation plan in 2004 for the benefit of employees. Employees, who have reached the top step in their position's pay range, and make a minimum contribution of \$20 per pay period into the City-sponsored 457 plan, are eligible for employer contributions into the 401(a) plan. The plan provides that the City make a matching contribution, up to \$20 per pay period. The City contributed \$64,400 to employee accounts in 2013. The City of Winfield administers the plan, and has the authority for establishing and amending the plan's provisions and contribution requirements. Employees have the option of investing contributions in ING Life Insurance and Annuity Company investments (ING) or IMCA-RC investments.

23. Deferred Compensation Plan

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

All amounts of compensation deferred under the plan as well as earnings attributable to those amounts, are solely the property of the participant employees. Accordingly, the assets and related liabilities for the plan are not recorded in the accompanying financial statements. Flexible Benefit Plan (I.R.C. Section 125). The City Commission has adopted by resolution a salary reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All permanent full-time employees are eligible to participate in the Plan beginning after one full month of employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Benefits offered through the Plan include various and disability benefits.

24. Postemployment Health Care Plan

Plan Description

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

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

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

Funding Policy

GASB Statement 45 does not require funding of the OPEB liability, and the City has chosen not to fund it. City policy dictates the payment of retiree claims as they become due. Plan participants contributed approximately \$75,000 to the Plan (102% of total premiums) through their required contribution of \$909 per month for family coverage and \$395 for retiree-only coverage.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. GASB Statement 45 requires an actuarial study to be performed at a minimum biennially. The latest actuarial valuation date is January 1, 2012. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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

Annual required contribution (ARC)	\$ 130,382
Interest on net OPEB obligation	13,474
Adjustment to annual required contribution	<u>(17,531)</u>
Annual OPEB cost (expense)	126,325
Contributions, net	<u>(38,825)</u>
Change in net OPEB obligation	87,500
Net OPEB obligation - beginning of year	<u>356,982</u>
Net OPEB obligation - end of year	<u>\$ 444,482</u>

The following table shows the breakdown of the City's annual OPEB liability.

Governmental funds	219,117
Proprietary funds	<u>225,365</u>
Total	<u>444,482</u>

Funded Status and Funding Progress

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2013 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Net Employer Contributions	Percentage of OPEB Contributions	Net OPEB Obligation
12-31-2008	\$ 96,300	\$ 18,334	19.04%	\$ 77,966
12-31-2009	18,334	-	0.00%	96,300
12-31-2010	115,269	28,678	24.88%	182,891
12-31-2011	115,269	28,678	24.88%	269,482
12-31-2012	126,325	38,825	30.73%	356,982
12-31-2013	126,325	38,825	30.73%	444,482

As of January 1, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial liability for benefits was \$1,068,057, and there was no actuarial value of assets resulting in an unfunded actuarial accrued liability of \$1,068,057. The covered payroll (annual payroll of active employees covered by the plan) was \$7,875,204, and the ratio of unfunded actuarial accrued liability to the covered payroll was 13.6 percent.

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

Actuarial Methods and Assumptions

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

In the January 1, 2012 actuarial valuation, the projected unit credit method was applied. The actuarial assumptions included a 5 percent investment rate of return, which is a blended rate of the expected long-term investment returns on the City's pooled funds and investments. The valuation assumed annual healthcare cost trend rates of eight to nine percent in years 2012-2013, and an ultimate rate of seven percent after 2013. Salaries expense and inflation are projected to increase four percent annually. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results. The UAAL is being amortized as a level dollar over an open thirty-year period.

25. Risk Management

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

A. Risk Management Reserve

Established in 1987 according to the provisions of K.S.A. 12-2615, this fund provides for paying for insurance premiums, deductibles, excess liability losses, uninsured losses, and insurable losses not otherwise covered. Insurance deductibles vary by type of property insurance coverage. Funding, when determined necessary, for the risk management reserve fund, is provided by annual contributions from other City functions that have an insurable risk based on actuarial computations, provided by an insurance consultant. The City purchases commercial insurance coverage for all substantial areas of risk, including property loss, auto liability, boiler and machinery, general and public officials' liability. Insurance policy premiums are paid through both individual funds and the risk management fund. Insurance settlements did not exceed insurance coverage in 2013 or the prior two years.

The following is a summary in changes of liability activity under the plan for 2013 and the prior two years:

	2013	2012	2011
Liability balance, beginning	\$ 2,949	\$ 11,190	\$ 2,601
Claims	21,924	149,887	161,437
Less insurance/other reimbursements	<u>(46,797)</u>	<u>(180,903)</u>	<u>(180,903)</u>
Total costs incurred	(21,924)	(19,826)	(16,865)
Less claims paid	21,924	22,775	28,055
Liability balance, ending	<u>\$ 0</u>	<u>\$ 2,949</u>	<u>\$ 11,190</u>

B. Workers' Compensation Fund

In past years, the City has maintained a partially self-funded workers' compensation program to cover substantially all full-time and part-time employees of the City. In 2011, the City obtained full workers' compensation insurance coverage through the Kansas Eastern Region Insurance Trust (KERIT). All claims incurred in 2013 are covered through the KERIT insurance coverage.

Workers' Compensation Insurance settlements did not exceed insurance coverage in 2013 or the prior two years. Two employees' cumulative claims stemming from prior years' work-injury incidents did exceed the City's excess claims coverage. All claims related to these two incidents, originating in 1998 and 2001, are being paid through the excess coverage insurance policy, and not a claims liability for the City.

In 2013, there was a prior period adjustment in the amount of \$5,196 which includes the change in workers compensation prepaid total. The following represents the changes in the liability activity of the self-funded worker's compensation program for 2013 and the prior two years:

	2013	2012	2011
Liability balance, beginning	\$ 78,616	\$ 101,993	\$ 67,252
Claims incurred	148,394	34,532	147,192
Less insurance coverage reimbursements	<u>(40,181)</u>	<u>(11,551)</u>	<u>(9,381)</u>
Total costs incurred	186,829	124,974	205,063
Less claims paid	<u>(97,128)</u>	<u>(46,358)</u>	<u>(103,070)</u>
Liability balance, ending	<u>\$ 89,701</u>	<u>\$ 78,616</u>	<u>\$ 101,993</u>

C. Health Insurance Reserve

The City created the health insurance reserve in 1993, the purpose to accumulate monies to eventually fund a partially self-insured health insurance program. Funds accumulated may be used to pay excess losses, health claims, partial payments of health insurance premiums for employees, and other miscellaneous health insurance related expenses. Annual funding is provided by contributions from other funds, as determined by management in the budgeting process. Health insurance premiums are paid through this reserve fund, and

funding is handled through contributions from other funds. The employee health insurance program is a fully insured program with health insurance offered to substantially all full-time employees of the City. Employee health insurance in 2013 was provided through Blue Cross Blue Shield. At December 31, 2013, the City had \$328,588 of net position available for future health insurance premiums. The funds are being retained to stabilize projected premium increases and provide a reserve, if the City should choose to self-insure in the future.

D. Short Term Disability Reserve

This reserve was created in 1997 to provide financial assistance to regular employees following sixty days of continuous disability. The benefit amounts to 50% of pre-disability weekly gross earnings up to a maximum weekly benefit of \$650, and is payable to an employee for a maximum of twenty-six weeks immediately following completion of the sixty-day waiting period. An employee may receive this benefit for a maximum of fifty-two weeks over his/her career with the City. At December 31, 2013, the City had \$206,725 of net position available for short term disability benefits to employees.

26. Contingencies and Commitments

A. Encumbrances:

At December 31, 2013, the City had the following amounts encumbered:

Governmental-type Funds:	
General Fund	\$ 12,250
NonMajor Funds:	
Special Streets	1,949
Equipment Reserve	437,261
Capital Improvement	34,031
Business-type Funds:	
Electric utility fund	201,908
Gas utility fund	105
Water utility fund	13,819
Refuse utility fund	79,068
Wastewater utility fund	2,269
Electric Depreciation fund	406,443
Municipal Golf Course	2,433
Internal Service funds:	
Management Services	2,585
Service Center	15,894
Capital Project Funds:	
Stewart Street Project	77,395
Vaughan Tennis Courts	88,540
Geometric KLINK Main St	86,165
Total entity-wide encumbrances	<u>\$ 1,462,113</u>

B. Electric Purchase Commitments

Kansas Power Pool

The City became a member of the Kansas Power Pool (KPP), a municipal energy agency, in January of 2005. KPP was created to provide economic benefits to its member cities, through coordination of collective electrical resources, facilities and loads. The city has power supply contracts with the Kansas

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

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

C. Kansas Disability Coalition Interim Settlement Agreement

The City was party to a lawsuit initiated by the Kansas Disability Coalition in 2006, and agreed to an interim settlement in August 2006. The provisions of the agreement require the City to achieve reasonable compliance with Title II of the American with Disabilities Act of 1990. A final court-approved agreement will be reached after the City completes and adopts a self-evaluation and transition plan for ADA compliance. Implementation of the transition plan will be over a 10 year period. At December 31, 2013, the City has expended \$1,029,934 in costs related to this plan.

D. Other Legal Matters

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

27. Subsequent Events

A. Gas Purchase Agreement

In February 2014, the City of Winfield consented to the membership of the City in the Kansas Municipal Gas Agency and approved the execution of a Gas Acquisition Management project participation agreement with Kansas Municipal Gas Agency providing for the pledge of the revenues of the natural gas utility system of the City to secure the agreement. This agreement authorizing gas purchases by the City through KMGGA. KMGGA will be responsible for the purchasing, delivering and balancing of gas on a daily, weekly and/or monthly basis. The contract period ends February 18, 2015.

B. Sales Tax increase

In March 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. The collection of the Capital Improvements Sales Tax will begin on July 1, 2014 and will terminate seven years after its commencement.

C. Transient Guest Tax Increase

In April 2014, The City of Winfield amended Section 3 of Charter Ordinance No. 31, adopted June 5, 1995, which is shown in the Revised ordinance of the City of Winfield, Kansas which allows for the

transient guest tax to be raised from four percent as it is currently to six percent. The reason for the increase is to help fund the application process and possible hosting of the Kansas Sampler Festival for the years 2016 and 2017.

D. Interlocal Agreement for County-wide Records Management System

In May 2014, The City of Winfield executed an interlocal agreement for Emergency Communications between Cowley County, Kansas, the City of Arkansas City, Kansas and City of Winfield, Kansas for the orderly unification and operation of a county-wide emergency communication system.

E. Financial Policies

In June 2014, the City adopted certain financial policies for purposes of managing fund balances, assets, and investment activities for the City of Winfield. This resolution formally adopted four different financial policies: Fund Balance Policy, Capital Asset Policy, Fixed Asset Policy, and Investment Policy. These policies are already practiced by the Finance Department.

F. Winfield Area Medical Emergency Services

In June 2014, the City of Winfield, Kansas entered into a transition agreement where the City Fire department of Winfield will take over Winfield Area Emergency Medical Services operations July 1, 2014. This transition will make Winfield Area EMS operations more efficient and ensure the service remains financially viable while continuing to provide excellent emergency care. Previously, Winfield Area Emergency Medical Services was a component unit of the City. The City of Winfield will begin providing EMS services to the City of Winfield, Kansas and portions of Cowley County. Winfield EMS will be a new department in the General Fund.

G. Debt

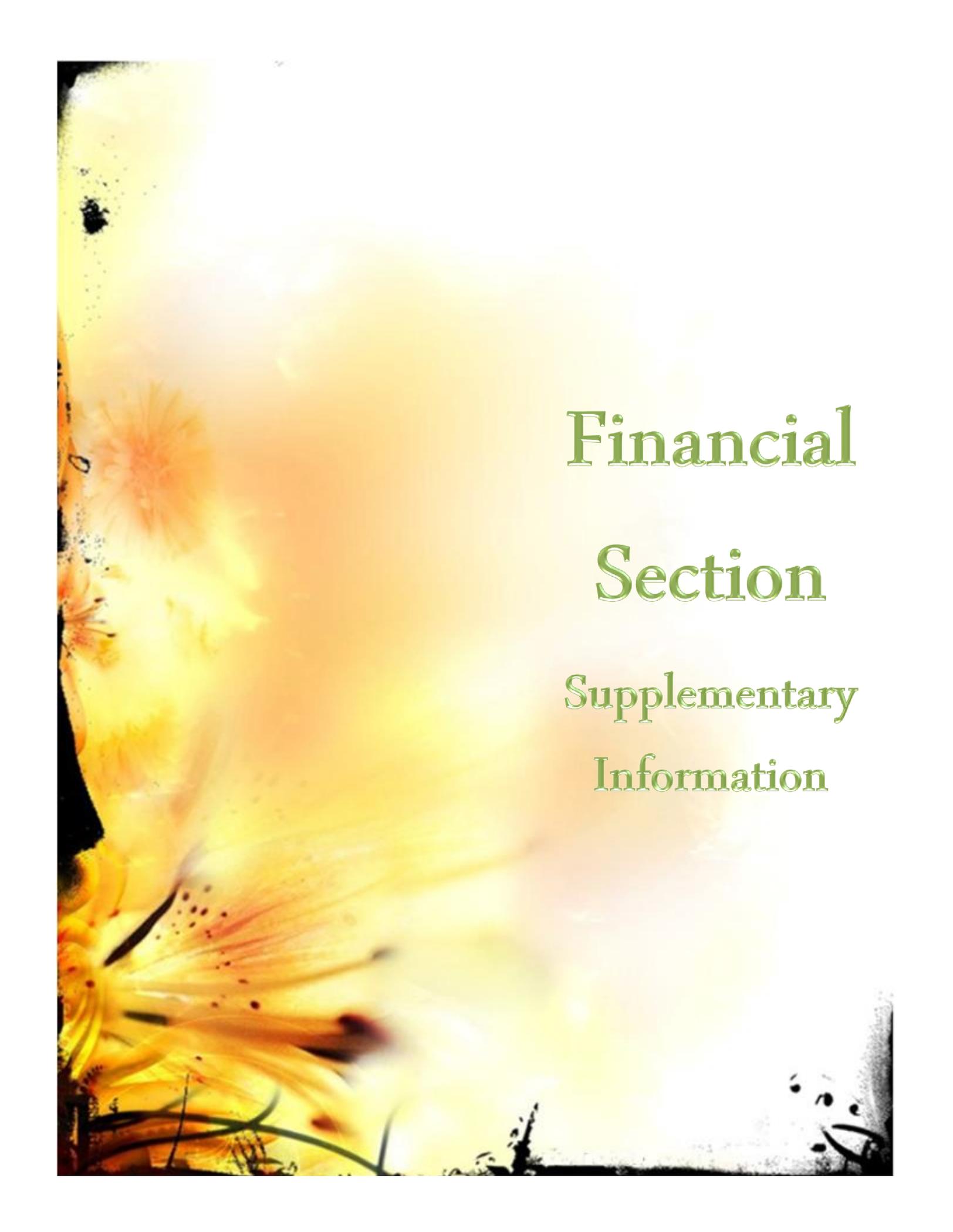
In July 2014, the City authorized and approved the extension of the maturities of the City's General Obligation Temporary Notes, Series 2012-1, General Obligation Temporary Notes, Series 2013-1, and taxable General Obligation Temporary Notes, Series 2013-2. The City intends to refinance 2012-1, 2013-1 and 2013-2 series temporary notes outstanding of \$5.2 million and issue an additional \$2.7 million in general obligation debt. Series 2014-1 temporary notes are to finance infrastructure improvements for the City in 2014 and 2015. In June 2014, the City approved a multi-year Capital Improvement Plan that outlines projects that are available for financing.

CITY OF WINFIELD, KANSAS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2013

Other Postemployment Benefits Other than Pension

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Payroll
1/1/2008	\$0	\$782,186	\$782,186	0.00%	\$8,270,079	9.5%
1/1/2010	0	881,110	881,110	0.00%	7,948,411	11.1%
1/1/2012	0	1,068,057	1,068,057	0.00%	7,875,204	13.6%

There were no significant factors affecting trends in the Actuarial Accrued Liability for the valuation completed January 1, 2012.



**Financial
Section
Supplementary
Information**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

Ambulance & Equipment - K.S.A 12-110d. required the City to create a special reserve fund for the replacement of ambulance or emergency medical service equipment.

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (continued)

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

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

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

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

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

Capital Project Funds

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

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

Geometric Klink Main Street – A street resurfacing project on a main trafficway of the city. KDOT will be reimbursing a portion of the project, and the balance was financed by the city through general obligation bonds.

Gottlob Business Park- – In April 2012, the City established Gottlob Business Park, an industrial and economic development project of approximately 100 acres. General Obligation Temporary Notes in addition to a state capital grant was used to finance this project.

Vaughn Tennis Courts - The City entered into an agreement with the Unified School District 465, Southwestern College, and the Winfield Recreation Commission to expand and improve the tennis court facilities located on the south end of Whittier Elementary school. The City has taken on the roll of issuing debt, managing the expenditures of this project and maintain the records.

Winfield Recreation Improvements - The City entered into an agreement for the construction of improvements to the Winfield Recreation Center, an existing Public Building in the City of Winfield, Kansas but operated by the Winfield Recreation Commission. The Winfield Recreation Commission developed a plan for the improvements which were completed in 2013.

2013 Temp Note Equipment - The City issued debt in the amount of \$2,610,000 which included monies allocated for equipment purchases in 2013.

Permanent Fund

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

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CITY OF WINFIELD, KANSAS

**Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2013**

	Special Revenue Funds					
	Flood Control	Special Parks and Recreation	Special Alcohol Program	Law Enforcement Trust	Water Preservation	Senior Citizen Facility
ASSETS						
Pooled cash and investments	\$ 49,288	\$ 123,079	\$ 19,728	\$ 14,082	\$ 64,153	\$ 2,810
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Land held for Resale	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governmental agencies	-	-	-	-	-	-
Total assets	<u>\$ 49,288</u>	<u>\$ 123,079</u>	<u>\$ 19,728</u>	<u>\$ 14,082</u>	<u>\$ 64,153</u>	<u>\$ 2,810</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24</u>
Deferred Inflows of Resources:						
Deferred property tax receivable	-	-	-	-	-	-
Fund balances						
Nonspendable:	-	-	-	-	-	-
Restricted for:						
Court programs	-	-	-	-	-	-
Culture/recreation	-	123,079	-	-	-	-
Drug/alcohol programs	-	-	19,728	-	-	-
Tourism development	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
Equipment acquisition	-	-	-	-	-	-
Industrial Development	-	-	-	-	-	-
Legal/uninsured liabilities	-	-	-	-	-	-
Levee maintenance	49,288	-	-	-	-	-
Library	-	-	-	-	-	-
Police/public safety	-	-	-	14,082	-	-
Committed for:						
Capital improvements	-	-	-	-	-	-
Cemetery improvements	-	-	-	-	-	-
Fairgrounds improvements	-	-	-	-	-	-
Streets maintenance	-	-	-	-	-	-
Water quality programs	-	-	-	-	64,153	-
Assigned for:						
Capital projects	-	-	-	-	-	-
Senior citizens programs	-	-	-	-	-	2,786
Unassigned	-	-	-	-	-	-
Total fund balances	<u>49,288</u>	<u>123,079</u>	<u>19,728</u>	<u>14,082</u>	<u>64,153</u>	<u>2,786</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 49,288</u>	<u>\$ 123,079</u>	<u>\$ 19,728</u>	<u>\$ 14,082</u>	<u>\$ 64,153</u>	<u>\$ 2,810</u>

Special Revenue Funds

<u>Special Liability</u>	<u>Ambulance & Equipment</u>	<u>Special Streets and Highway</u>	<u>Industrial Development</u>	<u>Tourism and Convention</u>	<u>Fairgrounds Improvements</u>	<u>Drug Task Force</u>	<u>Cemetery Improvement</u>
\$ 138,581	\$ 2,102	\$ (163,469)	\$ 20,635	\$ 80,781	\$ 99,134	\$ 44,978	\$ 93,735
118,978	-	-	11,762	-	-	-	-
-	-	194,116	-	-	-	-	200
-	-	-	710,252	-	-	-	-
-	-	-	-	-	-	-	-
-	-	15,279	-	-	-	-	-
<u>\$ 257,559</u>	<u>2,102</u>	<u>\$ 45,926</u>	<u>\$ 742,649</u>	<u>\$ 80,781</u>	<u>\$ 99,134</u>	<u>\$ 44,978</u>	<u>\$ 93,935</u>
\$ 1,835	\$ 1,050	\$ 11,199	\$ -	\$ (93)	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>1,835</u>	<u>1,050</u>	<u>11,199</u>	<u>-</u>	<u>(93)</u>	<u>-</u>	<u>-</u>	<u>-</u>
118,978	-	-	11,762	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	80,874	-	-	-
-	1,052	-	-	-	-	-	-
-	-	-	-	-	-	-	-
136,746	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	44,978	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	93,935
-	-	34,727	-	-	99,134	-	-
-	-	-	-	-	-	-	-
-	-	-	730,887	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>136,746</u>	<u>1,052</u>	<u>34,727</u>	<u>730,887</u>	<u>80,874</u>	<u>99,134</u>	<u>44,978</u>	<u>93,935</u>
<u>\$ 257,559</u>	<u>\$ 2,102</u>	<u>\$ 45,926</u>	<u>\$ 742,649</u>	<u>\$ 80,781</u>	<u>\$ 99,134</u>	<u>\$ 44,978</u>	<u>\$ 93,935</u>

(Continued)

CITY OF WINFIELD, KANSAS

**Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2013**

	Special Revenue Funds				Special Revenue Funds
	Public Library	Equipment Reserve	Special Improvements	Grants and Contributions	Alcohol & Drug Safety Action
ASSETS					
Pooled cash and investments	\$ -	\$ 517,215	\$ -	\$ 19,963	\$ 841
Taxes receivable	452,187	-	-	-	-
Accounts receivable	-	-	-	-	-
Land held for resale	-	-	-	-	-
Due from other funds	-	-	41,720	-	-
Due from other governmental agencies	-	-	-	-	-
Total assets	<u>\$ 452,187</u>	<u>\$ 517,215</u>	<u>\$ 41,720</u>	<u>\$ 19,963</u>	<u>\$ 841</u>
LIABILITIES AND FUND BALANCES					
Accounts payable	\$ -	\$ 9,521	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>9,521</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:					
Deferred property tax receivable	452,187	-	-	-	-
Fund balances					
Nonspendable:	-	-	-	-	-
Restricted for:					
Court programs	-	-	-	-	841
Culture/recreation	-	-	-	-	-
Drug/alcohol programs	-	-	-	-	-
Tourism development	-	-	-	-	-
Capital Projects	-	-	-	-	-
Equipment acquisition	-	507,694	-	19,963	-
Industrial Development	-	-	-	-	-
Legal/uninsured liabilities	-	-	-	-	-
Levee maintenance	-	-	-	-	-
Library	-	-	-	-	-
Police/public safety	-	-	-	-	-
Committed for:					
Capital improvements	-	-	-	-	-
Cemetery improvements	-	-	-	-	-
Fairgrounds improvements	-	-	-	-	-
Streets maintenance	-	-	-	-	-
Water quality programs	-	-	-	-	-
Assigned for:					
Capital projects	-	-	41,720	-	-
Senior citizens programs	-	-	-	-	-
Unassigned:	-	-	-	-	-
Total fund balances	<u>-</u>	<u>507,694</u>	<u>41,720</u>	<u>19,963</u>	<u>841</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 452,187</u>	<u>\$ 517,215</u>	<u>\$ 41,720</u>	<u>\$ 19,963</u>	<u>\$ 841</u>

Capital Project Funds						Permanent Fund	TOTALS
Country Club Villa Improvements	Geometric Klink Main Street	Gottlob Business Park	Vaughn Tennis Courts	Winfield Recreation Improvements	2013 Temp Note Equipment	Cemetery Endowment	
\$ -	\$ -	44,810	(246,561)	(2,113)	-	\$ 6,000	\$ 929,773
-	-	-	-	-	-	-	582,927
-	-	-	436,245	-	-	-	630,561
-	-	-	-	-	-	-	710,252
-	-	-	-	-	-	-	41,720
-	-	-	-	-	-	-	15,279
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,810</u>	<u>\$ 189,684</u>	<u>\$ (2,113)</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 2,910,512</u>
\$ -	\$ 835	-	\$ 65,828	\$ -	\$ -	\$ -	\$ 90,199
41,720	-	-	-	-	-	-	41,720
<u>41,720</u>	<u>835</u>	<u>-</u>	<u>65,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,919</u>
-	-	-	-	-	-	-	582,927
-	-	-	-	-	-	6,000	6,000
-	-	-	-	-	-	-	841
-	-	-	-	-	-	-	123,079
-	-	-	-	-	-	-	19,728
-	-	-	-	-	-	-	80,874
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	528,709
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	136,746
-	-	-	-	-	-	-	49,288
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	59,060
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	93,935
-	-	-	-	-	-	-	99,134
-	-	-	-	-	-	-	34,727
-	-	-	-	-	-	-	64,153
-	(835)	44,810	123,856	-	-	-	940,438
-	-	-	-	-	-	-	2,786
<u>(41,720)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,113)</u>	<u>-</u>	<u>-</u>	<u>(43,833)</u>
<u>(41,720)</u>	<u>(835)</u>	<u>44,810</u>	<u>123,856</u>	<u>(2,113)</u>	<u>-</u>	<u>6,000</u>	<u>2,195,665</u>
<u>\$ -</u>	<u>\$ -</u>	<u>44,810</u>	<u>\$ 189,684</u>	<u>\$ (2,113)</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 2,910,511</u>

(Concluded)

CITY OF WINFIELD, KANSAS
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds					Senior Citizen Facility
	Flood Control	Special Parks and Recreation	Special Alcohol Program	Law Enforcement Trust	Water Preservation	
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	20,584	20,584	-	-	2,000
Charges for services	-	15,016	-	-	-	-
Interest	190	414	50	49	222	20
Other	3	9,037	2,825	9,282	-	2,728
Total revenues	<u>193</u>	<u>45,051</u>	<u>23,459</u>	<u>9,331</u>	<u>222</u>	<u>4,748</u>
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	12,355	2,769	-	-
Public works	10,319	-	-	-	-	-
Cemetery	-	-	-	-	-	-
Culture and recreation	-	10,472	-	-	-	9,293
Health and welfare	-	-	-	-	19,950	-
Economic development	-	-	-	-	-	-
Debt service:						
Capital lease principal payments	-	-	-	-	-	-
Capital lease interest payments	-	-	-	-	-	-
Total expenditures	<u>10,319</u>	<u>10,472</u>	<u>12,355</u>	<u>2,769</u>	<u>19,950</u>	<u>9,293</u>
Revenues over (under) expenditures	<u>(10,126)</u>	<u>34,579</u>	<u>11,104</u>	<u>6,562</u>	<u>(19,728)</u>	<u>(4,545)</u>
Other financing sources (uses)						
Temporary Note Proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	45,302	500
Transfers out	-	-	-	-	(12,719)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,583</u>	<u>500</u>
Net change in fund balances	<u>(10,126)</u>	<u>34,579</u>	<u>11,104</u>	<u>6,562</u>	<u>12,855</u>	<u>(4,045)</u>
Fund balances, January 1	<u>59,414</u>	<u>88,500</u>	<u>8,624</u>	<u>7,520</u>	<u>51,298</u>	<u>6,831</u>
Fund balances, December 31	<u>\$ 49,288</u>	<u>\$ 123,079</u>	<u>\$ 19,728</u>	<u>\$ 14,082</u>	<u>\$ 64,153</u>	<u>\$ 2,786</u>

Special Revenue Funds

<u>Special Liability</u>	<u>Ambulance & Fire Equipment</u>	<u>Special Streets and Highway</u>	<u>Industrial Development</u>	<u>Tourism and Convention</u>	<u>Fairgrounds Improvements</u>	<u>Drug Task Force</u>	<u>Cemetery Improvement</u>
\$ 138,662	\$ -	\$ -	\$ 14,155	\$ -	\$ -	\$ -	\$ -
-	-	616,369	-	76,051	-	15,000	-
-	-	-	-	2,280	10,801	-	6,472
794	2	130	120	307	366	137	355
3,081	-	4,297	-	2,142	-	36,953	150
<u>142,537</u>	<u>2</u>	<u>620,796</u>	<u>14,275</u>	<u>80,780</u>	<u>11,167</u>	<u>52,090</u>	<u>6,977</u>
242,642	-	-	-	-	-	-	-
-	-	-	-	-	-	15,650	-
-	-	1,015,367	-	-	-	-	-
-	-	-	-	-	-	-	6,976
-	-	-	-	-	-	-	-
-	-	-	40,371	83,154	-	-	-
-	-	-	-	-	-	-	-
-	-	37,755	-	-	-	-	-
-	-	1,424	-	-	-	-	-
<u>242,642</u>	<u>-</u>	<u>1,054,546</u>	<u>40,371</u>	<u>83,154</u>	<u>-</u>	<u>15,650</u>	<u>6,976</u>
(100,105)	2	(433,750)	(26,096)	(2,374)	11,167	36,440	1
-	-	-	-	-	-	-	-
-	-	395,000	36,000	-	-	-	23
-	-	-	-	-	-	-	-
-	-	395,000	36,000	-	-	-	23
(100,105)	2	(38,750)	9,904	(2,374)	11,167	36,440	24
236,851	\$ 1,050	73,477	720,983	83,248	87,967	8,538	93,911
<u>\$ 136,746</u>	<u>\$ 1,052</u>	<u>\$ 34,727</u>	<u>\$ 730,887</u>	<u>\$ 80,874</u>	<u>\$ 99,134</u>	<u>\$ 44,978</u>	<u>\$ 93,935</u>

(Continued)

CITY OF WINFIELD, KANSAS
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds				
	Public Library	Equipment Reserve	Special Improvements	Grants and Contributions	Alcohol & Drug Safety Action
Revenues					
Property taxes	\$ 515,596	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	-
Interest	-	598	160	66	3
Other	-	-	-	5,745	-
Total revenues	<u>515,596</u>	<u>598</u>	<u>160</u>	<u>5,811</u>	<u>3</u>
Expenditures					
General government	-	34,117	-	-	-
Public safety	-	-	-	5,054	-
Public works	-	-	-	-	-
Cemetery	-	-	-	-	-
Culture and recreation	515,596	-	-	-	-
Health and welfare	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service:					
Capital lease principal payments	-	-	-	-	-
Capital lease interest payments	-	-	-	-	-
Total expenditures	<u>515,596</u>	<u>34,117</u>	<u>-</u>	<u>5,054</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>(33,519)</u>	<u>160</u>	<u>757</u>	<u>3</u>
Other financing sources (uses)					
Temporary Note Proceeds	-	419,000	-	-	-
Transfers in	-	55,000	-	-	165
Transfers out	-	-	(160)	-	-
Total other financing sources (uses)	<u>-</u>	<u>474,000</u>	<u>(160)</u>	<u>-</u>	<u>165</u>
Net change in fund balances	<u>-</u>	<u>440,481</u>	<u>-</u>	<u>757</u>	<u>168</u>
Fund balances, January 1	<u>-</u>	<u>67,213</u>	<u>41,720</u>	<u>19,206</u>	<u>673</u>
Fund balances, December 31	<u>\$ -</u>	<u>\$ 507,694</u>	<u>\$ 41,720</u>	<u>\$ 19,963</u>	<u>\$ 841</u>

Capital Projects Funds						Permanent Fund	TOTALS
Country Club Villa Improvements	Geometric Klink Main Street	Gottlob Business Park	Vaughn Tennis Courts	Winfield Recreation Improvements	2013 Temp Note Equipment	Cemetery Endowment	
\$ -	\$ -	\$ -	\$ -	-	-	\$ -	\$ 668,413
-	-	-	-	-	-	-	750,588
-	-	-	-	-	-	-	34,569
-	-	-	-	-	-	23	4,006
-	-	-	491,245	-	-	-	567,487
-	-	-	491,245	-	-	23	2,025,063
-	-	-	-	-	479,411	-	756,170
-	-	-	-	-	-	-	35,828
-	835	-	-	-	-	-	1,026,521
-	-	-	-	-	-	-	6,976
-	-	-	777,389	502,113	-	-	1,814,863
-	-	-	-	-	-	-	19,950
-	-	40,059	-	-	-	-	163,584
-	-	1,340,840	-	-	-	-	1,378,595
-	-	-	-	-	-	-	1,424
-	835	1,380,899	777,389	502,113	479,411	-	5,203,911
-	(835)	(1,380,899)	(286,144)	(502,113)	(479,411)	23	(3,178,848)
-	-	720,000	400,000	500,000	479,411	-	2,518,411
1,260	-	-	10,000	-	-	-	543,250
-	-	-	-	-	-	(23)	(12,902)
1,260	-	720,000	410,000	500,000	479,411	(23)	3,048,759
1,260	(835)	(660,899)	123,856	(2,113)	-	-	(130,088)
(42,980)	-	705,709	-	-	-	6,000	2,325,753
\$ (41,720)	\$ (835)	\$ 44,810	\$ 123,856	\$ (2,113)	\$ -	\$ 6,000	\$ 2,195,665

(Concluded)

CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR SPECIAL REVENUE FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - BUDGETARY BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	FLOOD CONTROL			SPECIAL PARKS & RECREATION		
	Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
Revenues and other sources						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	20,000	20,584	584
Interest	100	190	90	130	414	284
Other	-	3	3	16,694	24,053	7,359
Transfers from other funds	-	-	-	-	-	-
Total revenues and other sources	<u>100</u>	<u>193</u>	<u>93</u>	<u>36,824</u>	<u>45,051</u>	<u>8,227</u>
				-		
Expenditures and other uses						
Personal services	-	-	-	-	-	-
Contractual services	10,250	10,000	250	-	-	-
Materials and supplies	5,000	319	4,681	-	-	-
Other	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital outlay	-	-	-	30,000	10,472	19,528
Transfers to other funds	-	-	-	-	-	-
Contingency	-	-	-	90,000		90,000
Neighborhood Revitalization	-	-	-	-	-	-
Total expenditures and other uses	<u>15,250</u>	<u>10,319</u>	<u>4,931</u>	<u>120,000</u>	<u>10,472</u>	<u>109,528</u>
Revenues and other sources over (under) expenditures and other uses	(15,150)	(10,126)	5,024	(83,176)	34,579	117,755
Unencumbered fund balance, January 1	<u>44,400</u>	<u>59,414</u>	<u>15,014</u>	<u>86,927</u>	<u>88,500</u>	<u>1,573</u>
Unencumbered fund balance, December 31	<u>\$ 29,250</u>	<u>\$ 49,288</u>	<u>\$ 20,038</u>	<u>\$ 3,751</u>	<u>\$ 123,079</u>	<u>\$ 119,328</u>

SPECIAL ALCOHOL PROGRAM

Original Budget	Actual Amounts	Variance
\$ -	\$ -	\$ -
20,000	20,584	584
5	50	45
2,500	2,825	325
-	-	-
<u>22,505</u>	<u>23,459</u>	<u>954</u>
23,119	12,355	10,764
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>23,119</u>	<u>12,355</u>	<u>10,764</u>
(614)	11,104	11,718
<u>2,132</u>	<u>8,624</u>	<u>6,492</u>
<u>\$ 1,518</u>	<u>\$ 19,728</u>	<u>\$ 18,210</u>

LAW ENFORCEMENT TRUST

Original Budget	Actual Amounts	Variance
\$ -	\$ -	\$ -
-	-	-
10	49	39
3,000	9,282	6,282
-	-	-
<u>3,010</u>	<u>9,331</u>	<u>6,321</u>
-	-	-
-	2,769	(2,769)
7,783	-	7,783
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>7,783</u>	<u>2,769</u>	<u>5,014</u>
(4,773)	6,562	11,335
<u>4,773</u>	<u>7,520</u>	<u>2,747</u>
<u>\$ -</u>	<u>\$ 14,082</u>	<u>\$ 14,082</u>

(Continued)

CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>WATER PRESERVATION</u>			<u>SENIOR CITIZENS FACILITY</u>		
	Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
Revenues and other sources						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	4,000	2,000	(2,000)
Interest	100	222	122	20	21	1
Other	-	-	-	1,000	2,727	1,727
Transfers from other funds	55,000	45,302	(9,698)	500	500	-
Total revenues and other sources	<u>55,100</u>	<u>45,524</u>	<u>(9,576)</u>	<u>5,520</u>	<u>5,248</u>	<u>(272)</u>
Expenditures and other uses						
Personal services	-	-	-	-	-	-
Contractual services	32,000	19,950	12,050	8,340	8,493	(153)
Materials and supplies	200	-	200	800	800	-
Other	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Transfers to other funds	12,719	12,719	-	-	-	-
Contingency	-	-	-	-	-	-
Neighborhood Revitalization	-	-	-	-	-	-
Total expenditures and other uses	<u>44,919</u>	<u>32,669</u>	<u>12,250</u>	<u>9,140</u>	<u>9,293</u>	<u>(153)</u>
Revenues and other sources over (under) expenditures and other uses	10,181	12,855	2,674	(3,620)	(4,045)	(425)
Unencumbered fund balance, January 1	<u>33,614</u>	<u>51,298</u>	<u>17,684</u>	<u>5,436</u>	<u>6,831</u>	<u>1,395</u>
Unencumbered fund balance, December 31	<u>\$ 43,795</u>	<u>\$ 64,153</u>	<u>\$ 20,358</u>	<u>\$ 1,816</u>	<u>\$ 2,786</u>	<u>\$ 970</u>

SPECIAL LIABILITY			SPECIAL STREETS & HIGHWAY		
Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
\$ 136,729	\$ 138,662	\$ 1,933	\$ -	\$ -	\$ -
-	-	-	533,758	425,236	(108,522)
650	794	144	400	130	(270)
-	3,080	3,080	301,530	4,274	(297,256)
-	-	-	285,000	395,000	110,000
<u>137,379</u>	<u>142,536</u>	<u>5,157</u>	<u>1,120,688</u>	<u>824,640</u>	<u>(296,048)</u>
-	-	-	371,035	372,954	1,919
99,141	106,351	(7,210)	38,804	36,074	(2,730)
-	-	-	216,097	195,134	(20,963)
50,000	23,465	26,535	500	7,929	7,429
-	-	-	39,170	39,178	8
120,000	111,014	8,986	440,300	400,025	(40,275)
-	-	-	-	-	-
70,000	-	70,000	-	-	-
1,904	1,811	93	-	-	-
<u>341,045</u>	<u>242,641</u>	<u>98,404</u>	<u>1,105,906</u>	<u>1,051,294</u>	<u>(54,612)</u>
(203,666)	(100,105)	103,561	14,782	(226,654)	(350,660)
<u>212,118</u>	<u>236,851</u>	<u>24,733</u>	<u>29,429</u>	<u>53,038</u>	<u>23,609</u>
<u>\$ 8,452</u>	<u>\$ 136,746</u>	<u>\$ 128,294</u>	<u>\$ 44,211</u>	<u>\$(173,616)</u>	<u>\$ (327,051)</u>

(Continued)

CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>INDUSTRIAL DEVELOPMENT</u>			<u>TOURISM AND CONVENTION</u>		
	Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
Revenues and other sources	-			-		
Taxes	\$ 13,874	\$ 14,156	\$ 282	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	81,000	76,051	(4,949)
Interest	75	120	45	200	307	107
Other	-	-	-	2,000	4,422	2,422
Transfers from other funds	36,000	36,000	-	-	-	-
Total revenues and other sources	<u>49,949</u>	<u>50,276</u>	<u>327</u>	<u>83,200</u>	<u>80,780</u>	<u>(2,420)</u>
Expenditures and other uses						
Personal services	-	-	-	750	524	226
Contractual services	12,456	2,058	10,398	58,630	52,707	5,923
Materials and supplies	100	-	100	5,949	2,438	3,511
Other	45,500	38,130	7,370	32,525	24,511	8,014
Debt Service	-	-	-	-	-	-
Capital outlay	-	-	-	15,000	2,974	12,026
Transfers to other funds	-	-	-	-	-	-
Contingency	-	-	-	-	-	-
Neighborhood Revitalization	96	184	(88)	-	-	-
Total expenditures and other uses	<u>58,152</u>	<u>40,372</u>	<u>17,780</u>	<u>112,854</u>	<u>83,154</u>	<u>29,700</u>
					-	
Revenues and other sources over (under) expenditures and other uses	(8,203)	9,904	18,107	(29,654)	(2,374)	27,280
Unencumbered fund balance, January 1	<u>10,571</u>	<u>10,731</u>	<u>160</u>	<u>86,878</u>	<u>83,248</u>	<u>(3,630)</u>
Unencumbered fund balance, December 31	<u>\$ 2,368</u>	<u>\$ 20,635</u>	<u>\$ 18,267</u>	<u>\$ 57,224</u>	<u>\$ 80,874</u>	<u>\$ 23,650</u>

FAIRGROUNDS IMPROVEMENTS

<u>Original Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
\$ -	\$ -	\$ -
-	-	-
200	366	166
14,000	10,801	(3,199)
-	-	-
<u>14,200</u>	<u>11,167</u>	<u>(3,033)</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
75,000	-	75,000
-	-	-
<u>75,000</u>	<u>-</u>	<u>75,000</u>
(60,800)	11,167	71,967
<u>64,941</u>	<u>87,967</u>	<u>23,026</u>
<u>\$ 4,141</u>	<u>\$ 99,134</u>	<u>\$ 94,993</u>

DRUG TASK FORCE

<u>Original Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
\$ -	\$ -	\$ -
15,000	15,000	-
40	137	97
10,000	36,953	26,953
-	-	-
<u>25,040</u>	<u>52,090</u>	<u>27,050</u>
-	-	-
3,800	3,452	348
9,100	1,695	7,405
7,000	381	6,619
-	-	-
-	2,540	(2,540)
-	-	-
9,000	7,582	1,418
-	-	-
<u>28,900</u>	<u>15,650</u>	<u>13,250</u>
(3,860)	36,440	40,300
<u>12,773</u>	<u>8,538</u>	<u>(4,235)</u>
<u>\$ 8,913</u>	<u>\$ 44,978</u>	<u>\$ 36,065</u>

(Continued)

CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>CEMETERY IMPROVEMENTS</u>			<u>PUBLIC LIBRARY</u>		
	Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
Revenues and other sources						
Taxes	\$ -	\$ -	\$ -	\$ 508,325	\$ 515,596	\$ 7,271
Intergovernmental revenues	-	-	-	-	-	-
Interest	200	355	155	-	-	-
Other	8,000	6,622	(1,378)	-	-	-
Transfers from other funds	25	23	(2)	-	-	-
Total revenues and other sources	<u>8,225</u>	<u>7,000</u>	<u>(1,225)</u>	<u>508,325</u>	<u>515,596</u>	<u>7,271</u>
Expenditures and other uses						
Personal services	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-
Materials and supplies	3,500	135	3,365	-	-	-
Other	25	-	25	506,953	508,869	(1,916)
Debt Service	-	-	-	-	-	-
Capital outlay	7,500	6,841	659	-	-	-
Transfers to other funds	-	-	-	-	-	-
Contingency	50,000	-	50,000	-	-	-
Neighborhood Revitalization	-	-	-	3,536	6,727	(3,191)
Total expenditures and other uses	<u>61,025</u>	<u>6,976</u>	<u>54,049</u>	<u>510,489</u>	<u>515,596</u>	<u>(5,107)</u>
Revenues and other sources over (under) expenditures and other uses	(52,800)	24	52,824	(2,164)	-	2,164
Unencumbered fund balance, January 1	<u>87,900</u>	<u>93,911</u>	<u>6,011</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered fund balance, December 31	<u>\$ 35,100</u>	<u>\$ 93,935</u>	<u>\$ 58,835</u>	<u>\$ (2,164)</u>	<u>\$ -</u>	<u>\$ 2,164</u>

SPECIAL IMPROVEMENTS

<u>Original Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
\$ -	\$ -	\$ -
-	-	-
100	160	60
-	41,720	41,720
-	-	-
<u>100</u>	<u>41,880</u>	<u>41,780</u>
-	-	-
30,000	-	30,000
-	-	-
-	-	-
-	-	-
-	-	-
-	41,880	(41,880)
-	-	-
-	-	-
<u>30,000</u>	<u>41,880</u>	<u>(11,880)</u>
(29,900)	-	29,900
<u>41,701</u>	<u>41,720</u>	<u>19</u>
<u>\$ 11,801</u>	<u>\$ 41,720</u>	<u>\$ 29,919</u>

ALCOHOL AND DRUG SAFETY

<u>Original Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
\$ -	\$ -	\$ -
-	-	-
5	3	(2)
81	-	(81)
200	165	(35)
<u>286</u>	<u>168</u>	<u>(118)</u>
-	-	-
-	-	-
286	-	286
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>286</u>	<u>-</u>	<u>286</u>
-	168	168
<u>81</u>	<u>673</u>	<u>592</u>
<u>\$ 81</u>	<u>\$ 841</u>	<u>\$ 760</u>

(Concluded)

CITY OF WINFIELD, KANSAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Original Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues and other sources:			
Taxes:			
Property	\$ 696,851	\$ 702,039	\$ 5,188
Special assessments	212,586	205,071	(7,515)
Other revenues:			
Interest income	500	2,482	1,982
G.O. Temporary Note Proceeds	-	91,589	91,589
Payments from other governmental entities,	12,812	12,812	-
Transfers in	1,347,483	1,347,482	(1)
Other	-	35,871	35,871
Total revenues and other sources	<u>2,270,232</u>	<u>2,397,347</u>	<u>127,115</u>
Expenditures and other uses:			
Debt interest payments	-	-	-
Debt principal payments	2,135,838	2,117,751	18,087
Contingencies	222,164	9,025	213,139
Debt Issuance Costs	-	15,490	(15,490)
Neighborhood Revitalization	4,850	9,225	(4,375)
Total expenditures and other uses	<u>2,362,852</u>	<u>2,151,491</u>	<u>211,361</u>
Revenues and other sources over (under) expenditures and other uses	(92,620)	245,856	338,476
Unencumbered fund balance, Jan 1	<u>212,620</u>	<u>208,426</u>	<u>(4,194)</u>
Unencumbered fund balance, Dec 31	<u>\$ 120,000</u>	<u>\$ 454,282</u>	<u>\$ 334,282</u>

CITY OF WINFIELD, KANSAS

Nonmajor Capital Projects Fund Country Club Villa Improvements

Schedule of Revenues, Expenditures, and Changes in Fund Balances From Inception and for the Year ended December 31, 2013

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

CITY OF WINFIELD, KANSAS

Nonmajor Capital Projects Fund Gottlob Business Park

Schedule of Revenues, Expenditures, and Changes in Fund Balances From Inception and for the Year ended December 31, 2013

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
Expenditures:				
Improvement projects	\$ 3,787,877	\$ 40,059	\$ 3,827,936	\$ 4,410,000
Other financing sources (uses):				
Debt proceeds interest income	-	-	-	-
Temporary Note proceeds	3,410,000	720,000	4,130,000	3,410,000
Debt Insurance Costs	(13,566)	-	(13,566)	
State Grants	1,047,152	-	1,047,152	1,000,000
Debt Service (Temporary Note)	50,000	(1,340,840)	(1,290,840)	-
Total other financing sources (uses)	<u>4,493,586</u>	<u>(620,840)</u>	<u>3,872,746</u>	<u>4,410,000</u>
Net change in fund balances	705,709	(660,899)	44,810	<u>\$ -</u>
Fund balance-beginning of year	<u>-</u>	<u>705,709</u>	<u>-</u>	
Fund balance - end of year	<u>\$ 705,709</u>	<u>\$ 44,810</u>	<u>\$ 44,810</u>	

CITY OF WINFIELD, KANSAS

Nonmajor Capital Projects Fund Vaughn Tennis Courts

Schedule of Revenues, Expenditures, and Changes in Fund Balances From Inception and for the Year ended December 31, 2013

	Prior Years	Current Year	Total to Date	Project Authorization
Expenditures:				
Improvement projects	\$ -	\$ 777,389	\$ 777,389	\$ 802,818
Other financing sources (uses):				
Temporary Note proceeds	-	400,000	400,000	-
Transfer from General Fund	-	10,000	10,000	-
Capital contributions	-	491,245	491,245	-
Total other financing sources (uses)	-	901,245	901,245	-
Net change in fund balances	-	123,856	123,856	\$ 802,818
Fund balance-beginning of year	-	-	-	
Fund balance - end of year	\$ -	\$ 123,856	\$ 123,856	

CITY OF WINFIELD, KANSAS

Nonmajor Capital Projects Fund Winfield Recreation Improvements

Schedule of Revenues, Expenditures, and Changes in Fund Balances From Inception and for the Year ended December 31, 2013

	Prior Years	Current Year	Total to Date	Project Authorization
Expenditures:				
Improvement projects	\$ -	\$ 502,113	\$ 502,113	\$ 735,000
Other financing sources (uses):				
Temporary Note proceeds	-	500,000	500,000	
Other Financing	-	2,113	2,113	
Total other financing sources (uses)	-	502,113	502,113	-
Net change in fund balances	-	-	-	\$ 735,000
Fund balance-beginning of year	-	-	-	
Fund balance - end of year	\$ -	\$ -	\$ -	

NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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CITY OF WINFIELD, KANSAS

NONMAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION December 31, 2013

	Refuse	Stormwater Drainage	Quail Ridge Golf Course	Total
Assets				
Current assets				
Cash and temporary investments	\$ 923,110	\$ 164,268	\$ 16,009	\$ 1,103,387
Utility billing receivables, net	118,236	15,932	-	134,168
Accounts receivable, net	106	-	-	106
Inventories	-	-	34,397	34,397
Total current assets	1,041,452	180,200	50,406	1,272,058
Capital Assets:				
Land	3,503	-	399,949	403,452
Buildings	60,157	-	514,636	574,793
Improvements other than buildings	-	4,791,897	2,575,736	7,367,633
Machinery, equipment, other	1,418,730	14,823	493,328	1,926,881
Less accumulated depreciation	(1,040,839)	(746,247)	(2,891,787)	(4,678,873)
Net capital assets	441,551	4,060,473	1,091,862	5,593,886
Other assets				
Advances to internal service funds	7,620	-	-	7,620
Deferred bond issuance costs	-	2,992	-	2,992
Investment in joint venture	44,379	-	-	44,379
Total other assets	51,999	2,992	-	54,991
Total assets	1,535,002	4,243,665	1,142,268	6,920,935
Liabilities				
Current liabilities				
Accounts payable	50,513	39	25,879	76,431
Accrued interest payable	-	1,556	-	1,556
Current portion of compensated absences	17,122	-	9,201	26,323
Current portion of long-term debt	-	85,447	-	85,447
	67,635	87,042	35,080	189,757
Noncurrent liabilities				
General obligation refunding bonds payable	-	181,392	-	181,392
Deferred premium on refunding bonds	-	1,694	-	1,694
Accrued compensated absences	13,406	-	-	13,406
Net OPEB obligation	16,279	-	8,434	24,713
	29,685	183,086	8,434	221,205
Total liabilities	97,320	270,128	43,514	410,962
Net Position				
Invested in capital assets, net of related debt	441,551	3,793,633	1,091,863	5,327,047
Unrestricted	996,131	179,904	6,891	1,182,926
Total net position	\$ 1,437,682	\$ 3,973,537	\$ 1,098,754	\$ 6,509,973

CITY OF WINFIELD, KANSAS

NONMAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2013

	Refuse	Stormwater Drainage	Quail Ridge Golf Course	Total
Operating revenues				
Charges for services and sales	\$ 1,349,826	\$ 149,439	\$ 409,727	\$ 1,908,992
Other	35,954	2,346	2,139	40,439
Total operating revenues	<u>1,385,780</u>	<u>151,785</u>	<u>411,866</u>	<u>1,949,431</u>
Operating expenses				
Services and supplies	1,090,416	40,270	503,378	1,634,064
Depreciation	47,469	69,989	60,279	177,737
Total operating expenses	<u>1,137,885</u>	<u>110,259</u>	<u>563,657</u>	<u>1,811,801</u>
Operating income (loss)	<u>247,895</u>	<u>41,526</u>	<u>(151,791)</u>	<u>137,630</u>
Non-operating revenues (expenses)				
Interest income	3,895	634	-	4,529
Loss on joint venture	(719)	-	-	(719)
Amortization of debt issuance costs	-	(577)	-	(577)
Interest expense	-	(5,398)	-	(5,398)
Other	-	(281)	(17,522)	(17,803)
Total non-operating revenues (expenses)	<u>3,176</u>	<u>(5,622)</u>	<u>(17,522)</u>	<u>(19,968)</u>
Net income (loss) before transfers	251,071	35,904	(169,313)	117,662
Capital contributions and transfers:				
Transfers - Payments in lieu of franchise fees	(65,150)	-	-	(65,150)
Transfers in - cash	-	-	173,550	173,550
Transfers out - cash	-	(20,000)	-	(20,000)
Change in net position	185,921	15,904	4,237	206,062
Total net position - beginning	<u>1,251,761</u>	<u>3,957,633</u>	<u>1,094,517</u>	<u>6,303,911</u>
Total net position - ending	<u><u>\$ 1,437,682</u></u>	<u><u>\$ 3,973,537</u></u>	<u><u>\$ 1,098,754</u></u>	<u><u>\$ 6,509,973</u></u>

CITY OF WINFIELD, KANSAS

**NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Refuse</u>	<u>Stormwater Drainage</u>	<u>Quail Ridge Golf course</u>	<u>Total</u>
Cash flows from operating activities				
Payments to suppliers	\$ (812,133)	\$ (40,728)	(278,238)	\$ (1,131,099)
Payments to employees	(298,900)	-	(220,425)	(519,325)
Receipts from customers	1,410,322	149,266	411,970	1,971,558
Other receipts	32,721	2,346	2,783	37,850
Net cash provided by operating activities	<u>332,010</u>	<u>110,884</u>	<u>(83,910)</u>	<u>358,984</u>
Cash flows from noncapital financing activities				
Transfer to other funds	-	(20,000)	-	(20,000)
Transfer from Other funds	-	-	173,549	173,549
Internal activity-payments in lieu of franchise fees	(65,150)	-	-	(65,150)
Net cash used by noncapital financing activities	<u>(65,150)</u>	<u>(20,000)</u>	<u>173,549</u>	<u>88,399</u>
Cash flows from capital and related financing activities				
Debt payments - interest	-	(6,191)	-	(6,191)
Debt payments - principal	-	(85,447)	-	(85,447)
Acquisition of capital assets	(245,014)	-	(87,640)	(332,654)
Net cash used by capital and related financing activities	<u>(245,014)</u>	<u>(91,638)</u>	<u>(87,640)</u>	<u>(424,292)</u>
Cash flows from investing activities				
Interest income	3,895	634	-	4,529
Net cash provided from investing activities	<u>3,895</u>	<u>634</u>	<u>-</u>	<u>4,529</u>
Net decrease in cash and cash equivalents	25,741	(120)	1,999	27,620
Balances - beginning of the year (includes \$200,000 in restricted assets)	<u>897,369</u>	<u>\$ 164,388</u>	<u>14,010</u>	<u>\$ 1,075,767</u>
Balances - end of the year	<u>\$ 923,110</u>	<u>\$ 164,268</u>	<u>16,009</u>	<u>\$ 1,103,387</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 247,895	\$ 41,526	(151,791)	\$ 137,630
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	50,009	69,989	60,279	180,277
Changes in assets and liabilities:				
Receivables, net	8,837	(306)	-	8,531
Inventories/Prepays	-	-	(2,520)	(2,520)
Compensated absences	762	-	5,252	6,014
Net OPEB obligations	1,867	-	1,793	3,660
Accounts and other payables	22,640	(325)	3,077	25,392
Total adjustments	<u>84,115</u>	<u>69,358</u>	<u>67,881</u>	<u>221,354</u>
Net cash provided (used) by operating activities	<u>\$ 332,010</u>	<u>\$ 110,884</u>	<u>(83,910)</u>	<u>\$ 358,984</u>
Noncash Transactions				
Loss on joint venture	(719)	-	-	(719)
Amortization of premium on bond issuance	-	(577)	-	(577)

CITY OF WINFIELD, KANSAS

BUDGETED ENTERPRISE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2013

	ELECTRIC			
	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Amended Budget</u>
Revenues and other sources				
Charges for services	\$ 22,890,000	\$ 25,077,542	\$ 24,555,264	\$ (522,278)
Interest income	6,000	7,000	15,587	8,587
Other	184,000	184,000	132,034	(51,966)
Reimbursement of expenditures	75,000	75,000	84,657	9,657
Transfers from other funds	-	-	-	-
Total revenues and other sources	<u>23,155,000</u>	<u>25,343,542</u>	<u>24,787,541</u>	<u>(556,001)</u>
Expenditures and other uses				
Personal services	2,066,480	2,041,051	1,937,967	103,084
Contractual services	664,535	783,285	579,639	203,646
Materials and supplies	1,915,230	1,922,687	1,941,343	(18,656)
Other	8,200	8,200	(1,549)	9,749
Purchased power and fuel/resale	15,700,000	19,000,000	18,706,245	293,755
Capital outlay	957,000	911,229	512,459	398,770
Debt service	-	-	-	-
In lieu of franchise taxes	1,864,025	2,008,025	1,826,559	181,466
Transfers to other funds	577,000	592,975	786,330	(193,355)
Total expenditures and other uses	<u>23,752,470</u>	<u>27,267,452</u>	<u>26,288,993</u>	<u>978,459</u>
Revenues and other sources over (under) expenditures and other uses	(597,470)	(1,923,910)	(1,501,452)	422,458
Unencumbered fund balance, January 1	<u>1,573,733</u>	<u>1,573,733</u>	<u>2,098,302</u>	<u>(524,569)</u>
Unencumbered fund balance, December 31	<u>\$ 976,263</u>	<u>\$ (350,177)</u>	<u>\$ 596,850</u>	<u>\$ 947,027</u>

(Continued)

GAS			WATER		
Original Budget	Actual Amounts	Variance	Original Budget	Actual Amounts	Variance
\$ 5,518,000	\$ 4,300,048	\$ (1,217,952)	\$ 2,343,000	\$ 2,159,995	\$ (183,005)
2,500	5,447	2,947	-	489	489
3,750	608	(3,142)	16,900	53,428	36,528
10,000	16,215	6,215	10,000	17,180	7,180
-	-	-	-	140,250	140,250
<u>5,534,250</u>	<u>4,322,318</u>	<u>(1,211,932)</u>	<u>2,369,900</u>	<u>2,371,342</u>	<u>1,442</u>
644,618	659,510	(14,892)	874,390	766,599	107,791
55,860	32,025	23,835	199,607	190,750	8,857
504,910	599,954	(95,044)	613,617	790,755	(177,138)
3,400	1,612	1,788	22,202	812	21,390
3,000,000	2,523,235	476,765	-	-	-
112,500	41,210	71,290	84,500	82,610	1,890
-	-	-	-	-	-
665,025	404,800	260,225	128,013	112,793	15,220
11,000	301,875	(290,875)	614,217	604,291	9,926
<u>4,997,313</u>	<u>4,564,221</u>	<u>433,092</u>	<u>2,536,546</u>	<u>2,548,610</u>	<u>(12,064)</u>
536,937	(241,903)	(778,840)	(166,646)	(177,268)	(10,622)
215,142	499,652	(284,510)	39,512	192,842	(153,330)
<u>\$ 752,079</u>	<u>\$ 257,749</u>	<u>\$ (494,330)</u>	<u>\$ (127,134)</u>	<u>\$ 15,574</u>	<u>\$ 142,708</u>

CITY OF WINFIELD, KANSAS

BUDGETED ENTERPRISE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2013

	WASTEWATER		
	Original Budget	Actual Amounts	Variance
Revenues and other sources			
Charges for services	\$ 2,100,100	\$ 2,081,655	\$ (18,445)
Interest income	200	400	200
Other	6,050	3,348	(2,702)
Reimbursement of expenditures	5,000	428	(4,572)
Transfers from other funds	-	-	-
	2,111,350	2,085,831	(25,519)
Expenditures and other uses			
Personal services	590,147	577,572	12,575
Contractual services	282,831	157,321	125,510
Materials and supplies	274,464	268,061	6,403
Other	800	568	232
Purchased power and fuel/resale	-	-	-
Capital outlay	313,550	221,663	91,887
Debt service	551,116	548,238	2,878
In lieu of franchise taxes	-	75,000	(75,000)
Transfers to other funds	-	160,000	(160,000)
	2,012,908	2,008,423	4,485
Revenues and other sources over (under) expenditures and other uses	98,442	77,408	(21,034)
Unencumbered fund balance, January 1	242,348	280,399	38,051
Unencumbered fund balance, December 31	\$ 340,790	\$ 357,807	\$ 17,017

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CITY OF WINFIELD, KANSAS

BUDGETED NONMAJOR ENTERPRISE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED DECEMBER 31, 2013

	REFUSE		
	Original Budget	Actual Amounts	Variance
Revenues and other sources			
Charges for services	\$ 1,354,000	\$ 1,349,569	\$ (4,431)
Interest income	1,500	3,895	2,395
Other	31,580	42,899	11,319
Reimbursement of expenditures	200	-	(200)
Transfers from other funds	-	-	-
	1,387,280	1,396,363	9,083
Expenditures and other uses			
Personal services	506,771	429,135	77,636
Contractual services	335,850	310,405	25,445
Materials and supplies	288,821	410,338	(121,517)
Other	875	959	(84)
Capital outlay	125,000	109,407	15,593
Debt Service	-	-	-
In lieu of franchise taxes	65,450	65,150	300
Transfers to other funds	-	-	-
	1,322,767	1,325,394	(2,627)
Revenues and other sources over (under) expenditures and other uses			
	64,513	70,969	6,456
Unencumbered fund balance, January 1			
	567,330	722,560	155,230
Unencumbered fund balance, December 31			
	\$ 631,843	\$ 793,529	\$ 161,686

STORMWATER DRAINAGE		
<u>Original Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
\$ 150,000	\$ 149,439	\$ (561)
300	175	(125)
300	2,346	2,046
-	-	-
-	-	-
<u>150,600</u>	<u>151,960</u>	<u>1,360</u>
-	-	-
51,200	7,711	43,489
59,850	29,845	30,005
-	-	-
-	-	-
-	-	-
-	-	-
<u>111,638</u>	<u>111,638</u>	<u>-</u>
<u>222,688</u>	<u>149,194</u>	<u>73,494</u>
(72,088)	2,766	74,854
<u>91,798</u>	<u>161,463</u>	<u>69,665</u>
<u>\$ 19,710</u>	<u>\$ 164,229</u>	<u>\$ 144,519</u>

QUAIL RIDGE GOLF COURSE		
<u>Original Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
\$ 492,825	\$ 406,943	\$ (85,882)
-	-	-
6,050	7,587	1,537
300	225	(75)
<u>144,050</u>	<u>173,550</u>	<u>29,500</u>
<u>643,225</u>	<u>588,305</u>	<u>(54,920)</u>
312,630	280,135	32,495
91,690	85,489	6,201
184,417	166,224	18,193
2,165	607	1,558
52,500	53,689	(1,189)
-	-	-
-	-	-
-	-	-
<u>643,402</u>	<u>586,144</u>	<u>57,258</u>
(177)	2,161	2,338
<u>234</u>	<u>1,262</u>	<u>1,028</u>
<u>\$ 57</u>	<u>\$ 3,423</u>	<u>\$ 3,366</u>

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

CITY OF WINFIELD, KANSAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION DECEMBER 31, 2013

	Management Services	Operations Center	Accounts Receivable Financing
Assets			
Current assets			
Cash and temporary investments	\$ 156,284	\$ 48,116	\$ -
Utility billing receivables, net	18,830	-	34,012
Accounts receivable, net	4,854	-	-
Prepays	-	-	-
Inventories	32,324	98,973	-
Total current assets	212,292	147,089	34,012
Noncurrent assets			
Capital assets			
Land	-	6,500	-
Buildings and improvements	297,677	1,822,697	-
Improvements other than buildings	-	113,119	-
Machinery, equipment, other	1,527,492	384,562	-
Less accumulated depreciation	(1,323,752)	(1,114,399)	-
Net capital assets	501,417	1,212,479	-
Total assets	\$ 713,709	\$ 1,359,568	\$ 34,012
Liabilities			
Current liabilities			
Accounts and claims payable	\$ 150,457	\$ 30,123	\$ -
Current portion of compensated absences	100,490	11,731	-
Total current liabilities	250,947	41,854	-
Noncurrent liabilities			
Accrued compensated absences	91,110	-	-
Net OPEB obligation	81,840	13,943	-
Advances from other funds	-	70,000	34,012
Total noncurrent liabilities	172,950	83,943	34,012
Total liabilities	423,897	125,797	34,012
Net Position			
Invested in capital assets	501,417	1,212,479	-
Invested in capital assets, net of related debt	-	-	-
Unrestricted (deficit)	(211,605)	21,292	-
Total net position	\$ 289,812	\$ 1,233,771	\$ -

<u>Risk Management Reserve</u>	<u>Workers' Compensation Reserve</u>	<u>Health Insurance Reserve</u>	<u>Short-Term Disability Reserve</u>	<u>Total</u>
\$ 1,523,536	\$ 35,445	\$ 203,172	\$ 206,726	\$ 2,173,279
-	-	-	-	52,842
1,700	23,295	-	-	29,849
-	-	125,416	-	125,416
-	-	-	-	131,297
<u>1,525,236</u>	<u>58,740</u>	<u>328,588</u>	<u>206,726</u>	<u>2,512,683</u>
-	-	-	-	6,500
-	-	-	-	2,120,374
-	-	-	-	113,119
-	-	-	-	1,912,054
-	-	-	-	(2,438,151)
-	-	-	-	<u>1,713,896</u>
<u>\$ 1,525,236</u>	<u>\$ 58,740</u>	<u>\$ 328,588</u>	<u>\$ 206,726</u>	<u>\$ 4,226,579</u>
-	-	-	-	-
\$ -	\$ 89,701	\$ -	\$ -	\$ 270,281
-	-	-	-	112,221
-	<u>89,701</u>	-	-	<u>382,502</u>
-	-	-	-	91,110
-	-	-	-	95,783
-	-	-	-	104,012
-	-	-	-	<u>290,905</u>
-	<u>89,701</u>	-	-	<u>673,407</u>
-	-	-	-	1,713,896
-	-	-	-	-
<u>1,525,236</u>	<u>(30,961)</u>	<u>328,588</u>	<u>206,726</u>	<u>1,839,276</u>
<u>\$ 1,525,236</u>	<u>\$ (30,961)</u>	<u>\$ 328,588</u>	<u>\$ 206,726</u>	<u>\$ 3,553,172</u>

CITY OF WINFIELD, KANSAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Management Services</u>	<u>Operations Center</u>	<u>Accounts Receivable Financing</u>
Operating revenues			
Charges for services	\$ 2,619,494	\$ 511,580	\$ -
Other	156,786	5,056	-
Total operating revenues	<u>2,776,280</u>	<u>516,636</u>	<u>-</u>
Operating expenses			
Administration	2,580,828	532,464	-
Claims	-	-	-
Depreciation	104,046	64,114	-
Total operating expenses	<u>2,684,874</u>	<u>596,578</u>	<u>-</u>
Operating income (loss)	<u>91,406</u>	<u>(79,942)</u>	<u>-</u>
Non-operating revenues (expenses)			
Interest income	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) before operating transfers	<u>91,406</u>	<u>(79,942)</u>	<u>-</u>
Transfers in- cash	-	-	-
Net transfers	-	-	-
Change in net position	91,406	(79,942)	-
Total net position - beginning	<u>198,406</u>	<u>1,313,713</u>	<u>-</u>
Total net position - ending	<u><u>\$ 289,812</u></u>	<u><u>\$ 1,233,771</u></u>	<u><u>\$ -</u></u>

Risk Management Reserve	Workers' Compensation Reserve	Health Insurance Reserve	Short-Term Disability Reserve	Totals
\$ -	\$ -	\$ -	\$ -	\$ 3,131,074
686,984	34,985	1,465,448	-	2,349,259
<u>686,984</u>	<u>34,985</u>	<u>1,465,448</u>	<u>-</u>	<u>5,480,333</u>
74,105		1,385,907	-	4,573,304
21,924	148,393	-	-	170,317
-	-	-	-	168,160
<u>96,029</u>	<u>148,393</u>	<u>1,385,907</u>	<u>-</u>	<u>4,911,781</u>
<u>590,955</u>	<u>(113,408)</u>	<u>79,541</u>	<u>-</u>	<u>568,552</u>
<u>6,631</u>	<u>-</u>	<u>580</u>	<u>789</u>	<u>8,000</u>
<u>6,631</u>	<u>-</u>	<u>580</u>	<u>789</u>	<u>8,000</u>
<u>597,586</u>	<u>(113,408)</u>	<u>80,121</u>	<u>789</u>	<u>576,552</u>
<u>-</u>	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>65,000</u>
<u>-</u>	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>65,000</u>
597,586	(48,408)	80,121	789	641,552
<u>927,650</u>	<u>17,447</u>	<u>248,467</u>	<u>205,937</u>	<u>2,911,620</u>
<u>\$ 1,525,236</u>	<u>\$ (30,961)</u>	<u>\$ 328,588</u>	<u>\$ 206,726</u>	<u>\$ 3,553,172</u>

CITY OF WINFIELD, KANSAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2013

	Management Services	Operations Center	Accounts Receivable Financing
Cash flows from operating activities			
Payments to suppliers	\$ (1,003,763)	\$ (249,970)	\$ -
Payments to employees	(1,466,035)	(245,703)	-
Payments of claims	-	-	-
Internal activity-receipts from other funds	2,619,494	511,580	-
Receipts from customers	-	-	4,081
Other receipts	155,878	5,056	-
Net cash provided (used) by operating activities	305,574	20,963	4,081
Cash flows from noncapital financing activities			
Transfers (to) from other funds	-	-	-
Advances (to) from other funds	-	-	(4,081)
Net cash used by noncapital financing activities	-	-	(4,081)
Cash flows from capital and related financing activities			
Acquisition of capital assets	(199,081)	(1,760)	-
Net cash used by noncapital financing activities	(199,081)	(1,760)	-
Cash flows from investing activities			
Interest income	-	-	-
Net increase (decrease) in cash and cash equivalents	106,493	19,203	-
Balances - beginning of year	49,791	28,913	-
Balances - end of year	\$ 156,284	\$ 48,116	\$ -
-			
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	91,406	(79,942)	-
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	104,046	64,114	-
Changes in assets and liabilities:			
Receivables, net	(908)	-	4,081
Inventories	(9,297)	22,012	-
Compensated absences	(169)	5,525	-
Net OPEB obligations	17,493	3,540	-
Prepays	-	-	-
Accounts and other payables	103,003	5,714	-
Total adjustments	214,168	100,905	4,081
Net cash provided (used) by operating activities	\$ 305,574	\$ 20,963	\$ 4,081
Noncash Transactions			
Capital asset transfers	\$ -	\$ -	\$ -

Risk Management Reserve	Workers' Compensation Reserve	Health Insurance Reserve	Short-Term Disability Reserve	Totals
\$ (77,054)	\$ 705	\$ (1,391,408)	\$ -	\$ (2,721,490)
-	-	-	-	(1,711,738)
(21,924)	(47,403)	-	-	(69,327)
-	-	1,464,390	-	4,595,464
-	-	-	-	4,081
686,984	16,404	1,059	-	865,381
<u>588,006</u>	<u>(30,294)</u>	<u>74,041</u>	<u>-</u>	<u>962,371</u>
-	65,000	-	-	65,000
-	-	-	-	(4,081)
-	<u>65,000</u>	-	-	<u>60,919</u>
-	-	-	-	(200,841)
-	-	-	-	<u>(200,841)</u>
-	-	-	-	-
6,631	-	580	789	8,000
594,637	34,706	74,621	789	830,449
928,899	739	128,551	205,937	1,342,830
<u>\$ 1,523,536</u>	<u>\$ 35,445</u>	<u>\$ 203,172</u>	<u>\$ 206,726</u>	<u>\$ 2,173,279</u>
590,955	(113,408)	79,541	-	568,552
-	-	-	-	168,160
-	(9,473)	-	-	(6,300)
-	-	-	-	12,715
-	-	-	-	5,356
-	-	-	-	21,033
-	81,823	(5,500)	-	76,323
(2,949)	10,764	-	-	116,532
<u>(2,949)</u>	<u>83,114</u>	<u>(5,500)</u>	<u>-</u>	<u>393,820</u>
<u>\$ 588,006</u>	<u>\$ (30,294)</u>	<u>\$ 74,041</u>	<u>\$ -</u>	<u>\$ 962,372</u>
\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF WINFIELD, KANSAS
BUDGETED INTERNAL SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	MANAGEMENT SERVICES				OPERATIONS CENTER		
	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Amended Budget</u>	<u>Original Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues and other sources							
Interfund contributions	\$ 2,425,016	\$ 2,948,000	\$ 2,619,806	\$ (328,194)	\$ 526,427	\$ 511,580	\$ (14,847)
Transfers from other Funds	-	-	-	-	-	-	-
Other	138,300	162,000	155,566	(6,434)	-	5,056	5,056
Total revenues and other sources	<u>2,563,316</u>	<u>3,110,000</u>	<u>2,775,372</u>	<u>(334,628)</u>	<u>526,427</u>	<u>516,636</u>	<u>(9,791)</u>
Expenditures and other uses							
Personal services	1,847,921	1,997,372	1,995,255	2,117	338,307	345,265	(6,958)
Contractual services	463,561	752,125	546,105	206,020	102,318	90,086	12,232
Materials and supplies	162,474	236,000	150,050	85,950	57,077	61,707	(4,630)
Other	14,550	42,009	16,883	25,126	1,225	965	260
Capital outlay	73,810	73,810	63,894	9,916	27,500	17,126	10,374
Debt Service	-	-	-	-	-	-	-
Contingency	1,000	1,000	-	1,000	-	-	-
Total expenditures and other uses	<u>2,563,316</u>	<u>3,102,316</u>	<u>2,772,187</u>	<u>330,129</u>	<u>526,427</u>	<u>515,149</u>	<u>11,278</u>
Revenues and other sources over (under) expenditures and other uses	-	7,684	3,185	(4,499)	-	1,487	1,487
Unencumbered fund balance, January 1	<u>1,411</u>	<u>1,411</u>	<u>\$ 57</u>	<u>(1,354)</u>	<u>1,300</u>	<u>612</u>	<u>(688)</u>
Unencumbered fund balance, December 31	<u>\$ 1,411</u>	<u>\$ 9,095</u>	<u>\$ 3,242</u>	<u>\$ (5,853)</u>	<u>\$ 1,300</u>	<u>\$ 2,099</u>	<u>\$ 799</u>

FIDUCIARY AND AGENCY FUNDS

Agency Funds

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

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

Flex Medical - to collect and pass through flexible benefit contributions.

Fire Insurance Proceeds - to collect and pass through fire insurance recoveries.

CITY OF WINFIELD, KANSAS

AGENCY FUNDS COMBINING BALANCE SHEET December 31, 2013

	Payroll Clearing	Sales Tax	Flex Medical	Fire Insurance Proceeds	Total
Assets					
Pooled cash and investments	\$ 161,091	\$ 64,709	\$ 11,447	\$ 3	\$ 237,248
Other receivables	-	88,636	-	-	88,636
Total assets	161,091	153,345	11,447	3	325,884
Liabilities					
Accounts payable	161,091	70,000	11,447	3	242,538
Total liabilities	161,091	70,000	11,447	3	242,538
Net Position	\$ -	\$ 83,345	\$ -	\$ -	\$ 83,346

CITY OF WINFIELD, KANSAS

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance January 1 2013	Additions	Deductions	Balance December 31 2013
Pooled cash and investments				
Payroll clearing	\$ 150,193	\$ 11,748,373	\$ 11,737,475	\$ 161,091
Sales tax	(8,770)	791,528	801,394	(18,636)
Flex Medical	9,219	146,158	143,930	11,447
Fire Insurance Proceeds	-	3	3	-
Total pooled cash and investments	150,642	12,686,059	12,682,799	153,902
Other receivables				
Payroll clearing	-	-	-	-
Sales tax	31,441	788,747	731,552	88,636
Flex Medical	-	-	-	-
Fire Insurance Proceeds	-	-	-	-
Total other receivables	31,441	788,747	731,552	88,636
Total Assets	\$ 182,083	\$ 13,474,806	\$ 13,414,351	\$ 242,538
Accounts payable				
Payroll clearing	\$ 150,193	\$ 12,060,407	\$ 12,071,305	\$ 161,091
Sales tax	22,671	1,699,009	1,606,335	\$ (70,003)
Flex Medical	(46,809)	143,930	146,158	\$ (44,581)
Fire Insurance Proceeds	-	-	-	\$ -
Total accounts payable	126,055	13,903,346	13,823,798	46,507
Total Liabilities	\$ 126,055	\$ 13,903,346	\$ 13,823,798	\$ 46,507

CITY OF WINFIELD, KANSAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY SOURCE DECEMBER 31, 2013

	2013
Governmental funds capital assets	
Land	\$ 1,900,215
Buildings	8,642,917
Improvements other than buildings	20,933,563
Machinery and equipment	8,068,696
Construction in progress	103,663
Total governmental funds capital assets	\$ 39,649,054
Investment in governmental funds capital assets by source:	
General fund	\$ 19,977,232
Special revenue funds	19,568,159
Construction project funds	103,663
Donations	-
Total governmental funds capital assets	\$ 39,649,054

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

CITY OF WINFIELD, KANSAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY FUNCTION AND ACTIVITY DECEMBER 31, 2013

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
General government:						
Administrative/other	\$ 80,668	\$ 3,606,844	\$ 4,038,500	\$ 194,875	\$ -	\$ 7,920,887
Total general government	<u>80,668</u>	<u>3,606,844</u>	<u>4,038,500</u>	<u>194,875</u>	<u>-</u>	<u>7,920,887</u>
Public safety:						
Police	-	205,716	57,010	1,271,547	-	1,534,273
Fire	-	574,610	-	3,333,910	-	3,908,520
Public parking	171,124	-	31,497	27,286	-	229,907
Inspection	-	-	-	57,670	-	57,670
Total public safety	<u>171,124</u>	<u>780,326</u>	<u>88,507</u>	<u>4,690,413</u>	<u>-</u>	<u>5,730,370</u>
Highways and streets:	734,596	15,425	13,668,060	1,395,304	-	15,813,385
Culture and recreation	912,427	4,177,067	3,127,736	1,612,930	-	9,830,160
Cemetery	1,400	63,255	10,760	175,174	-	250,589
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,663</u>	<u>103,663</u>
Total governmental funds capital assets	<u>\$ 1,900,215</u>	<u>\$ 8,642,917</u>	<u>\$ 20,933,563</u>	<u>\$ 8,068,696</u>	<u>\$ 103,663</u>	<u>\$ 39,649,054</u>

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

CITY OF WINFIELD, KANSAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2013

Function and Activity	Governmental Funds Capital Assets Jan 1, 2013	Additions	Deductions	Transfers	Governmental Funds Capital Assets Dec 31, 2013
General government:					
Attorney	2,495	-	-	-	2,495
Other	7,901,479	15,212	(18,138)	-	7,898,553
Total general government	7,903,974	15,212	(18,138)	-	7,901,048
Public safety:					
Police	1,461,709	88,979	(16,412)	-	1,534,276
Fire	3,758,273	147,159	(3,200)	6,288	3,908,520
Public Parking	229,907	-	-	-	229,907
Inspection	57,670	-	-	-	57,670
Total public safety	5,507,559	236,138	(19,612)	6,288	5,730,373
Public works/streets	15,200,510	705,555	-	(32,629)	15,873,436
Culture and recreation	10,435,794	153,179	(806,662)	64,080	9,846,391
Cemetery	248,919	1,669	-	-	250,588
Under construction	38,914	8,304	-	-	47,218
Total governmental funds capital assets	\$ 39,335,670	1,120,057	(844,412)	37,739	39,649,054

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

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT COMBINING STATEMENT OF NET POSITION- BUSINESS TYPE ACTIVITY JUNE 30, 2013

WINFIELD HOUSING AUTHORITY

Assets

Current assets

Cash and temporary investments	\$	229,752
Accounts receivable, net		1,663
HUD Grants receivable		23,421
Interest receivable		6
Prepays and materials inventory		28,202
Total current assets		<u>283,044</u>

Capital Assets:

Capital assets not be depreciated		52,776
Depreciable capital assets		3,357,179
Less accumulated depreciation		<u>(1,910,662)</u>
Net capital assets		<u>1,499,293</u>

Other assets

Utility deposits		<u>13,156</u>
Total other assets		<u>13,156</u>

Total assets 1,795,493

Liabilities

Current liabilities

Accounts payable		32,866
Accrued compensated absences		<u>18,493</u>

Total liabilities 51,359

Net Position

Invested in capital assets		1,499,293
Restricted for capital projects		12,952
Unrestricted		<u>231,889</u>

Total Net Position \$ 1,744,135

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - BUSINESS-TYPE COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE YEAR ENDED JUNE 30, 2013

WINFIELD HOUSING AUTHORITY

Operating revenues	
Rental income	\$ 157,623
Other	3,886
Total operating revenues	<u>161,508</u>
Operating expenses	
Services and supplies	238,891
Depreciation	98,598
Total operating expenses	<u>337,489</u>
Operating loss	<u>(175,981)</u>
Non-operating revenues	
Interest income	472
Other	-
Total non-operating revenues	<u>472</u>
Change in net position	(175,509)
Total net position - beginning	<u>1,919,644</u>
Total net position - ending	<u>\$ 1,744,135</u>

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNITS GOVERNMENTAL FUNDS BALANCE SHEET DECEMBER 31, 2013

WINFIELD AREA EMERGENCY MEDICAL SERVICES (WAEMS)

Assets

Cash	\$	57,364
Accounts receivable, net		157,262
Total current assets		<u>\$214,626</u>

Liabilities

Accounts payable		26,076
Accrued compensated absences		31,219
Total liabilities		<u>57,295</u>

Deferred inflows of resources		
Unavailable revenue - Accounts receivable		85,545
		<u>142,840</u>

Fund Balance

Unassigned		<u>71,786</u>
Total net position		<u><u>\$214,626</u></u>

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 2013

WINFIELD AREA EMERGENCY MEDICAL SERVICES (WAEMS)

Operating revenues

Charges for services	\$ 565,357
Other governmental contributions	263,000
Other capital contributions	3,016
Interest	31
Total operating revenues	<u>831,404</u>

Operating expenses

Personnel services	752,134
Contractual	35,240
Commodities	38,915
Other	10,643
	<u>836,932</u>

Total operating expenses 836,932

Net change in fund balance (5,528)

Fund balance - beginning of year	13,369
Prior year adjustment	63,945
Fund balance- beginning of year adjusted	<u>77,314</u>

Fund balance -end of year \$ 71,786

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - GOVERNMENTAL TYPE COMBINING BALANCE SHEET DECEMBER 31, 2013

WINFIELD PUBLIC LIBRARY

Assets	
Cash and temporary investments	\$ 623,007
	<hr/>
Total assets	<u>623,007</u>
Liabilities	
Accounts payable	28,868
	<hr/>
Fund balance	594,139
	<hr/>
Total liabilities and fund balance	<u>\$ 623,007</u>

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - GOVERNMENTAL TYPE COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED DECEMBER 31, 2013

WINFIELD PUBLIC LIBRARY

Revenues

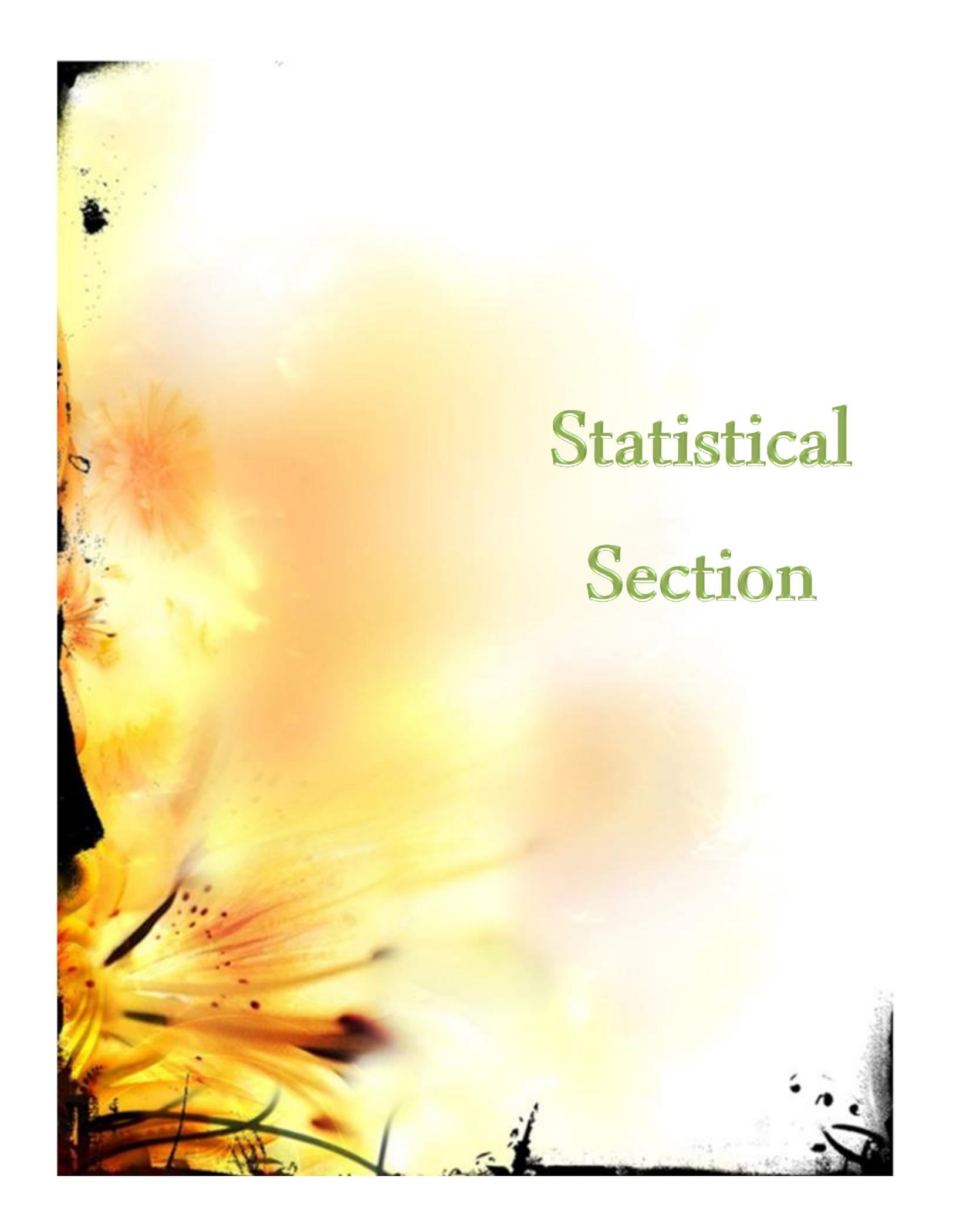
Property taxes	\$	508,869
Intergovernmental revenue		6,492
Fines and penalties		8,523
Interest income		1,514
Charges for services and sales		6,624
Other		159,394
Total revenues		<u>691,416</u>

Expenditures

Culture and recreation:		
Personal services		301,063
Contractual services and materials		167,756
Capital outlay		26,511
Other		11,029
Debt service		-
Total expenditures		<u>506,359</u>

Excess (deficiency) of revenues over (under) expenditures 185,057

Fund balance, beginning of year		409,082
Prior year adjustment		-
Fund balance, beginning of year, adjusted		<u>409,082</u>
Fund balance, end of year	\$	<u><u>594,139</u></u>



Statistical Section

STATISTICAL SECTION

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

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

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

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

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

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

City of Winfield, Kansas

Net Position by Component, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities				
Invested in capital assets, net of related debt	\$ 13,224,149	\$ 12,278,113	\$ 11,238,825	\$ 13,588,751
Restricted	1,836,860	2,488,485	2,757,530	1,984,745
Unrestricted	1,105,886	1,861,083	4,191,024	3,851,314
Total governmental activities net position	<u>\$ 16,166,895</u>	<u>\$ 16,627,681</u>	<u>\$ 18,187,379</u>	<u>\$ 19,424,810</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 34,932,896	\$ 36,087,472	\$ 37,790,830	\$ 37,500,763
Restricted	306,551	202,003	202,297	201,918
Unrestricted	9,864,534	8,518,189	7,513,229	8,171,934
Total business-type activities net position	<u>\$ 45,103,981</u>	<u>\$ 44,807,664</u>	<u>\$ 45,506,356</u>	<u>\$ 45,874,615</u>
Primary government				
Invested in capital assets, net of related debt	\$ 48,157,045	\$ 48,365,585	\$ 49,029,655	\$ 51,089,514
Restricted	2,143,411	2,690,488	2,959,827	2,186,663
Unrestricted	10,970,420	10,379,272	11,704,253	12,023,248
Total primary government net position	<u>\$ 61,270,876</u>	<u>\$ 61,435,345</u>	<u>\$ 63,693,735</u>	<u>\$ 65,299,425</u>

Table 1

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 16,604,943	\$ 18,467,441	\$ 15,221,844	\$ 16,091,925	\$ 16,850,705	\$ 17,623,357
1,697,377	744,041	1,100,540	1,001,143	903,217	1,582,593
<u>1,613,399</u>	<u>1,747,071</u>	<u>4,814,451</u>	<u>4,296,353</u>	<u>5,240,513</u>	<u>3,957,875</u>
<u>\$ 19,915,719</u>	<u>\$ 20,958,553</u>	<u>\$ 21,136,835</u>	<u>\$ 21,389,421</u>	<u>\$ 22,994,435</u>	<u>\$ 23,163,825</u>
\$ 38,069,991	\$ 39,034,768	\$ 39,238,338	\$ 38,560,011	\$ 37,304,887	\$ 37,119,806
200,316	200,000	200,000	-	-	-
<u>6,429,463</u>	<u>8,171,269</u>	<u>9,145,650</u>	<u>11,038,264</u>	<u>11,902,772</u>	<u>11,561,504</u>
<u>\$ 44,699,770</u>	<u>\$ 47,406,037</u>	<u>\$ 48,583,988</u>	<u>\$ 49,598,275</u>	<u>\$ 49,207,659</u>	<u>\$ 48,681,310</u>
\$ 54,674,934	\$ 57,502,209	\$ 54,460,182	\$ 54,651,936	\$ 54,155,592	\$ 54,743,163
1,897,693	944,041	1,300,540	1,001,143	903,217	1,582,593
<u>8,042,862</u>	<u>9,918,340</u>	<u>13,960,101</u>	<u>15,334,617</u>	<u>17,143,285</u>	<u>15,519,379</u>
<u>\$ 64,615,489</u>	<u>\$ 68,364,590</u>	<u>\$ 69,720,823</u>	<u>\$ 70,987,696</u>	<u>\$ 72,202,094</u>	<u>\$ 71,845,135</u>

City of Winfield, Kansas

Changes in Net Position, Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Expenses				
<i>Governmental Activities:</i>				
General government	\$ 1,113,430	\$ 715,264	\$ 1,010,093	\$ 1,037,652
Public safety	3,385,535	3,477,184	3,985,164	3,961,982
Public works/stormwater	1,554,939	1,712,656	2,147,916	1,475,426
Cemetery	143,665	156,388	150,677	158,684
Culture and recreation	1,657,742	1,874,254	1,596,973	1,802,510
Health and welfare	880,651	1,182,021	994,863	1,080,507
Economic development	163,517	200,051	130,861	148,996
Interest on debt	455,805	369,833	455,814	558,877
Total governmental activities expenses	9,355,284	9,687,651	10,472,361	10,224,634
<i>Business-type activities:</i>				
Electric	16,213,551	19,552,084	22,379,172	21,790,211
Gas	4,796,433	6,662,904	5,210,015	5,602,811
Water	1,614,989	1,905,225	1,833,590	2,383,522
Refuse	1,104,161	1,184,215	1,202,388	1,250,860
Wastewater	1,716,201	1,785,474	1,574,041	1,965,895
Golf course	656,842	636,572	857,222	848,813
Total business-type activities expenses	26,102,177	31,726,474	33,056,428	33,842,112
Total primary government expenses	\$ 35,457,461	\$ 41,414,125	\$ 43,528,789	\$ 44,066,746
Program Revenues				
<i>Governmental activities:</i>				
General government	\$ 464,967	\$ 360,003	\$ 344,835	\$ 339,026
Public safety	188,427	172,080	261,988	196,713
Public works/stormwater	127,639	158,272	152,111	152,488
Cemetery	37,050	50,338	41,090	31,275
Culture and recreation	316,582	385,571	450,224	442,341
Health and welfare	659,910	694,747	746,312	816,546
Operating grants and contributions	452,869	619,517	503,837	517,649
Capital grants and contributions	422,683	274,757	1,802,724	29,610
Total governmental activities program revenues	2,670,127	2,715,285	4,303,121	2,525,648
<i>Business-type activities:</i>				
Charges for services:				
Electric	17,977,388	19,824,019	22,984,484	23,993,402
Gas	5,154,458	6,695,359	6,157,572	5,804,699
Water	1,813,087	2,159,641	2,293,376	2,163,925
Refuse	1,011,891	1,129,186	1,257,396	1,408,661
Wastewater	1,552,929	1,536,054	1,522,009	1,497,631
Golf course	397,666	370,561	567,258	506,487
Capital grants and contributions	525,105	644,724	731,839	572,037
Total business-type activities program revenues	28,432,524	32,359,544	35,513,934	35,946,842
Total primary government program revenues	\$ 31,102,651	\$ 35,074,829	\$ 39,817,055	\$ 38,472,490

Table 2

		Fiscal Year									
		2008	2009	2010	2011	2012	2013				
\$	1,007,890	\$	1,136,384	\$	1,378,157	\$	1,284,081	\$	1,296,695	\$	1,679,541
	4,799,553		4,363,022		4,486,349		4,493,341		4,588,327		4,467,782
	1,750,265		1,511,058		1,391,930		1,392,216		1,413,920		940,998
	163,789		142,764		164,665		145,656		156,726		170,300
	2,157,393		1,405,506		1,910,251		2,044,763		1,986,876		3,295,984
	313,261		353,557		333,945		341,963		344,062		327,336
	175,827		165,271		148,777		185,683		305,823		163,584
	525,663		483,691		500,300		452,192		487,573		613,933
	<u>10,893,641</u>		<u>9,561,253</u>		<u>10,314,374</u>		<u>10,339,895</u>		<u>10,580,002</u>		<u>11,659,458</u>
	25,974,432		20,755,104		21,107,926		22,331,177		24,216,773		24,159,020
	6,249,824		4,565,950		4,433,654		4,160,674		3,507,599		4,054,864
	2,461,897		2,443,606		2,318,531		2,354,597		2,433,503		2,352,849
	1,305,321		1,231,637		1,200,127		1,247,376		1,151,417		1,137,167
	1,900,444		1,730,487		1,865,241		1,849,088		1,844,635		1,714,342
	939,736		881,196		813,684		762,407		681,748		581,179
	<u>38,831,654</u>		<u>31,607,980</u>		<u>31,739,163</u>		<u>32,705,319</u>		<u>33,835,675</u>		<u>33,999,421</u>
\$	<u>49,725,295</u>	\$	<u>41,169,233</u>	\$	<u>42,053,537</u>	\$	<u>43,045,214</u>	\$	<u>44,415,677</u>	\$	<u>45,658,879</u>
\$	403,991	\$	401,180	\$	662,013	\$	351,445	\$	336,317	\$	416,522
	213,522		244,913		223,217		217,361		233,349		225,052
	157,989		168,703		149,339		149,761		150,130		146,302
	43,285		51,560		53,860		70,245		63,810		51,550
	479,106		520,190		544,552		532,471		508,072		388,829
	188,322		189,415		189,856		187,630		178,714		177,307
	469,169		484,355		641,420		553,306		646,035		619,871
	2,247,932		594,320		13,286		55,651		1,118,000		499,185
	<u>4,203,316</u>		<u>2,654,636</u>		<u>2,477,543</u>		<u>2,117,870</u>		<u>3,234,427</u>		<u>2,524,618</u>
	24,141,325		24,760,069		22,771,769		24,623,166		26,074,970		25,075,556
	6,586,008		5,501,142		5,455,036		4,955,953		3,750,750		4,366,055
	2,053,763		2,040,831		2,134,745		2,375,968		2,470,167		2,188,618
	1,468,186		1,379,395		1,401,131		1,394,287		1,379,195		1,385,780
	1,645,841		1,672,416		1,809,506		1,942,758		2,072,943		2,094,907
	510,225		508,703		468,167		459,404		448,759		411,866
	456,579		199,131		798,404		113,230		85,932		762,833
	<u>36,861,927</u>		<u>36,061,687</u>		<u>34,838,758</u>		<u>35,864,766</u>		<u>36,282,716</u>		<u>36,285,615</u>
\$	<u>41,065,243</u>	\$	<u>38,716,323</u>	\$	<u>37,316,301</u>	\$	<u>37,982,636</u>	\$	<u>39,517,143</u>	\$	<u>38,810,233</u>

City of Winfield, Kansas

Changes in Net Position, Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Net (Expenses)/Revenue				
Governmental activities	\$ (6,685,157)	\$ (6,972,366)	\$ (6,169,240)	\$ (7,698,986)
Business-type activities	2,330,347	633,070	2,457,506	2,104,730
Total primary government net expense	<u>\$ (4,354,810)</u>	<u>\$ (6,339,296)</u>	<u>\$ (3,711,734)</u>	<u>\$ (5,594,256)</u>
General Revenues and Other Changes in Net Position				
<i>Governmental activities:</i>				
Taxes				
Property taxes	\$ 3,126,752	\$ 3,105,420	\$ 3,313,225	\$ 3,563,739
Sales taxes	1,542,114	1,514,594	1,602,854	1,653,458
Franchise taxes	188,149	221,656	221,379	224,057
Other taxes	127,551	131,823	136,585	136,946
Payments in lieu of taxes	1,566,880	1,815,685	2,033,593	2,132,120
Investment earnings	85,195	115,247	211,789	239,348
Miscellaneous	130,604	(18,886)	146,328	207,280
Special items	-	-	-	-
Transfers	(76,950)	(410,948)	(65,699)	(25,781)
Total governmental activities	<u>6,690,295</u>	<u>6,474,591</u>	<u>7,600,054</u>	<u>8,131,167</u>
<i>Business-type activities</i>				
Investment earnings	170,268	245,094	280,672	369,868
Miscellaneous	-	61,868	32,857	-
In lieu of franchise fees	(1,566,880)	(1,815,685)	(2,033,593)	(2,132,120)
Transfers	76,950	410,948	65,699	25,781
Total business-type activities	<u>(1,319,662)</u>	<u>(1,097,775)</u>	<u>(1,654,365)</u>	<u>(1,736,471)</u>
Total primary government	<u>\$ 5,370,633</u>	<u>\$ 5,376,816</u>	<u>\$ 5,945,689</u>	<u>\$ 6,394,696</u>
Change in Net Position				
Governmental activities	\$ 5,138	\$ (497,775)	\$ 1,430,814	\$ 432,181
Business-type activities	1,010,685	(464,705)	803,141	368,259
Total primary government	<u>\$ 1,015,823</u>	<u>\$ (962,480)</u>	<u>\$ 2,233,955</u>	<u>\$ 800,440</u>

Table 2

	Fiscal Year					
	2008	2009	2010	2011	2012	2013
\$	(6,690,325)	\$ (6,906,617)	\$ (7,836,831)	\$ (8,222,025)	\$ (7,345,575)	\$ (9,134,840)
	(1,969,727)	4,453,707	3,099,595	3,159,447	2,447,041	2,286,194
\$	<u>(8,660,052)</u>	<u>(2,452,910)</u>	<u>(4,737,236)</u>	<u>(5,062,578)</u>	<u>(4,898,534)</u>	<u>(6,848,646)</u>
\$	3,613,367	\$ 3,946,608	\$ 3,995,278	\$ 4,133,774	\$ 3,941,589	\$ 4,156,656
	1,796,192	1,642,867	1,650,437	1,802,734	1,744,484	1,765,516
	232,233	208,506	217,851	197,907	247,602	218,778
	119,667	117,440	127,883	164,781	144,171	137,802
	2,209,504	2,097,169	1,987,491	2,090,193	2,576,964	2,503,962
	159,269	67,920	21,433	9,874	11,056	17,741
	68,148	107,661	44,392	-	-	161,977
	1,976,607	-	-	-	-	-
	(693,327)	(238,720)	(29,652)	75,348	284,722	341,798
	<u>9,481,660</u>	<u>7,949,451</u>	<u>8,015,113</u>	<u>8,474,611</u>	<u>8,950,588</u>	<u>9,304,230</u>
	230,619	111,009	36,195	20,381	24,030	33,217
	-	-	-	-	-	-
	(2,209,504)	(2,097,169)	(1,987,491)	(2,090,193)	(2,576,964)	(2,503,962)
	693,327	238,720	29,652	(75,348)	(284,722)	(341,798)
	<u>(1,285,558)</u>	<u>(1,747,440)</u>	<u>(1,921,644)</u>	<u>(2,145,160)</u>	<u>(2,837,656)</u>	<u>(2,812,543)</u>
\$	<u>8,196,102</u>	<u>6,202,011</u>	<u>6,093,469</u>	<u>6,329,451</u>	<u>6,112,932</u>	<u>6,491,687</u>
\$	2,791,335	\$ 1,042,834	\$ 178,282	\$ 252,586	\$ 1,605,013	\$ 169,390
	(3,255,285)	2,706,267	1,177,951	1,014,287	(390,615)	(526,350)
\$	<u>(463,950)</u>	<u>3,749,101</u>	<u>1,356,233</u>	<u>1,266,873</u>	<u>1,214,398</u>	<u>(356,960)</u>

City of Winfield, Kansas

Program Revenues by Function/Program, Last Ten Fiscal Years

(accrual basis of accounting)

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

Table 3

Program Revenues					
2008	2009	2010	2011	2012	2013
\$ 403,991	\$ 401,205	\$ 710,092	\$ 468,445	\$ 406,067	\$ 416,522
341,770	299,786	242,802	256,669	271,093	236,343
2,684,476	653,058	735,930	571,278	1,804,932	1,253,917
43,285	52,160	54,310	70,845	64,494	51,700
541,472	1,059,012	544,552	563,003	509,127	388,829
188,322	189,415	189,856	187,630	178,714	177,307
<u>4,203,316</u>	<u>2,654,636</u>	<u>2,477,542</u>	<u>2,117,870</u>	<u>3,234,427</u>	<u>2,524,618</u>
24,483,928	24,942,711	23,530,926	24,693,816	26,155,695	25,832,812
6,608,856	5,506,348	5,461,785	4,963,475	3,751,318	4,368,527
2,092,727	2,052,114	2,167,244	2,398,876	2,473,951	2,190,868
1,468,186	1,379,395	1,401,131	1,394,287	1,379,195	1,385,780
1,698,005	1,672,416	1,809,506	1,954,908	2,073,798	2,095,762
510,225	508,703	468,167	459,404	448,759	411,866
<u>36,861,927</u>	<u>36,061,687</u>	<u>34,838,759</u>	<u>35,864,766</u>	<u>36,282,716</u>	<u>36,285,615</u>
<u>\$ 41,065,243</u>	<u>\$ 38,716,323</u>	<u>\$ 37,316,301</u>	<u>\$ 37,982,636</u>	<u>\$ 39,517,143</u>	<u>\$ 38,810,233</u>

City of Winfield, Kansas

Fund Balances, Governmental Funds, Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund				
Reserved	\$ 37,848	\$ 20,265	\$ 20,265	\$ 20,845
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>389,343</u>	<u>261,816</u>	<u>328,229</u>	<u>502,481</u>
Total general fund	<u>\$ 427,191</u>	<u>\$ 20,265</u>	<u>\$ 348,494</u>	<u>\$ 523,326</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	642,062	603,974	1,077,822	1,113,485
Unreserved, reported in:				
Capital project funds	469,499	459,651	732,733	(201,894)
Special revenue funds	2,242,289	1,761,955	1,720,792	1,463,104
Permanent funds	6,000	6,000	6,000	6,000
Debt service funds	<u>97,734</u>	<u>-</u>	<u>-</u>	<u>133</u>
Total all other governmental funds	<u>\$ 3,457,584</u>	<u>\$ 2,831,580</u>	<u>\$ 3,537,347</u>	<u>\$ 2,380,828</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 4

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 41,336	\$ 24,847	\$ 28,911	\$ 20,265	\$ 20,265	\$ 20,265
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
331,883	336,688	226,205	418,171	464,835	580,434
<u>\$ 373,219</u>	<u>\$ 361,535</u>	<u>\$ 255,116</u>	<u>\$ 438,436</u>	<u>\$ 485,100</u>	<u>\$ 600,699</u>
\$ -	\$ -	\$ -	\$ 6,000	\$ 6,000	\$ 6,000
-	-	-	995,143	1,575,860	1,496,982
-	-	-	422,139	348,373	291,949
-	-	-	(33,924)	669,560	943,224
-	-	-	-	-	(43,833)
812,756	517,816	322,885	-	-	-
41,825	(716,253)	(42,980)	-	-	-
1,449,307	1,548,805	1,365,334	-	-	-
6,000	6,000	6,000	-	-	-
455	190,846	131,214	-	-	-
<u>\$ 2,310,343</u>	<u>\$ 1,547,214</u>	<u>\$ 1,782,453</u>	<u>\$ 1,389,358</u>	<u>\$ 2,599,793</u>	<u>\$ 2,694,322</u>

City of Winfield, Kansas

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

(modified accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
Revenues				
Property taxes	\$ 3,126,752	\$ 3,105,420	\$ 3,313,225	\$ 3,563,739
Sales taxes	1,542,114	1,514,594	1,602,854	1,653,458
Intergovernmental revenue	1,125,975	1,063,211	1,114,731	1,059,395
Charges for services	1,139,145	1,193,830	1,304,633	1,327,286
Franchise taxes	188,149	221,656	221,379	224,057
Special assessments	165,447	108,304	116,141	175,857
Fines and penalties	159,399	152,098	181,605	177,248
Licenses, fees, and permits	26,451	23,816	26,695	23,943
Investment earnings	89,192	109,012	161,710	177,237
Other revenues	146,413	254,032	85,864	158,596
Total revenues	7,709,037	7,745,973	8,128,837	8,540,816
Expenditures				
General government	1,059,035	712,127	969,761	1,008,833
Employee benefits [1]	-	-	-	-
Public safety	3,319,716	3,603,633	4,778,405	3,915,641
Public works/streets	2,091,819	971,878	2,061,131	2,493,546
Cemetery	131,695	142,741	136,395	148,326
Culture and recreation	1,530,375	1,670,885	1,493,300	1,589,068
Health and welfare	840,016	1,132,670	923,021	1,037,528
Economic development	498,892	206,180	136,956	155,244
Debt service:				
Debt principal payments	1,189,256	2,434,725	2,224,784	1,570,117
Debt interest payments	482,977	452,675	348,301	452,344
Temporary note principal pymts	-	-	-	-
Temporary note interest pymts	-	-	-	-
Discount on temporary note	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay	220,272	701,290	1,856,253	236,480
Total expenditures	11,364,053	12,028,804	14,928,307	12,607,127
Excess of revenues over (under) expenditures	<u>(3,655,016)</u>	<u>(4,282,831)</u>	<u>(6,799,470)</u>	<u>(4,066,311)</u>
Other Financing Sources (Uses)				
Transfers in	1,965,650	2,022,142	2,092,366	2,222,154
Transfers out	(1,908,495)	(1,843,397)	(2,036,628)	(2,180,162)
Transfers in - Pymts in lieu of franchise fees	1,566,880	1,815,684	2,033,593	2,132,120
Issuance of temporary notes	1,195,000	755,000	2,326,594	-
Issuance of bonds	-	3,015,000	1,115,000	-
Issuance of KDOT debt	-	-	800,000	659,701
Issuance of capital lease	271,080	-	1,231,360	-
Payments to escrow agent	-	(2,130,000)	-	-
Advance payments of specials	-	-	-	-
Insurance recoveries	-	-	-	-
Capital lease proceeds	-	-	-	-
KDOT loan proceeds	-	-	-	-
Debt issuance costs	-	-	-	-
G.O. refunding bond proceeds	-	-	-	-
G.O. refunding bond premium	-	-	-	-
Sales of property	118,221	47,095	9,364	250,810
Total other financing sources (uses)	3,208,336	3,681,524	7,571,649	3,084,623
Net change in fund balances	\$ (446,680)	\$ (601,307)	\$ 772,179	\$ (981,688)
Debt service as a percentage of noncapital expenditures	17.2%	25.2%	22.3%	18.9%

Table 5

Fiscal Year						
	2008	2009	2010	2011	2012	2013
\$	3,613,367	\$ 3,946,608	\$ 3,995,277	\$ 4,133,774	\$ 3,941,589	\$ 4,156,656
	1,796,192	1,642,867	1,650,437	1,802,734	1,744,484	1,749,986
	1,228,607	1,130,876	1,209,844	1,107,981	1,166,436	1,174,855
	661,048	625,933	747,203	770,710	559,154	568,504
	232,233	208,506	217,851	197,907	247,603	180,218
	168,392	163,672	206,224	207,926	256,707	205,071
	176,362	160,454	132,875	134,467	120,658	119,892
	56,228	57,929	49,586	70,546	82,150	46,922
	122,941	54,327	16,513	7,318	6,057	9,266
	201,090	351,214	65,241	134,958	2,201,816	764,473
	<u>8,256,460</u>	<u>8,342,386</u>	<u>8,291,051</u>	<u>8,568,321</u>	<u>10,326,654</u>	<u>8,975,843</u>
	993,000	1,033,537	1,052,806	1,344,999	1,181,274	1,819,569
	-	-	-	-	-	-
	4,556,668	4,310,118	4,362,464	4,311,581	4,613,336	4,478,126
	2,685,567	1,427,589	1,008,716	651,094	1,028,453	1,026,521
	152,279	140,513	163,761	160,580	160,451	163,385
	1,729,654	2,171,340	1,778,099	1,793,269	1,805,704	3,050,218
	313,261	353,557	333,945	341,963	344,062	327,336
	175,827	165,271	148,777	185,683	3,956,430	163,584
	1,466,001	1,242,033	1,328,559	1,794,554	966,116	3,167,487
	363,499	466,280	482,537	597,363	512,828	451,172
	5,280,000	-	-	-	-	-
	168,106	-	-	-	-	-
	8,040	-	-	-	-	-
	41,686	-	-	-	-	24,515
	305,879	555,840	362,291	443,657	279,691	226,844
	<u>18,239,467</u>	<u>11,866,078</u>	<u>11,021,955</u>	<u>11,624,743</u>	<u>14,848,345</u>	<u>14,898,757</u>
	<u>(9,983,007)</u>	<u>(3,523,692)</u>	<u>(2,730,904)</u>	<u>(3,056,422)</u>	<u>(4,521,691)</u>	<u>(5,922,914)</u>
	2,138,437	1,958,394	2,086,218	2,729,475	2,093,424	2,991,209
	(2,049,767)	(1,983,495)	(2,101,654)	(1,973,021)	(1,970,140)	(1,973,180)
	2,209,504	2,097,169	1,987,491	2,090,193	2,576,965	2,503,962
	2,945,000	-	-	-	3,410,000	2,610,000
	4,525,000	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	(1,144,247)	-	(1,833,955)	-
	162,174	-	-	-	-	-
	-	429,781	-	-	-	-
	-	227,844	-	-	-	-
	-	-	630,970	-	-	-
	-	-	(18,798)	-	(17,505)	-
	-	-	1,398,246	-	1,520,000	-
	-	-	18,898	-	-	-
	-	19,186	2,600	-	-	-
	<u>9,930,348</u>	<u>2,748,879</u>	<u>2,859,724</u>	<u>2,846,647</u>	<u>5,778,789</u>	<u>6,131,991</u>
\$	<u>(52,659)</u>	<u>(774,813)</u>	<u>\$ 128,820</u>	<u>\$ (209,775)</u>	<u>\$ 1,257,098</u>	<u>\$ 209,077</u>
	12.0%	17.9%	17.5%	21.6%	13.8%	26.3%

City of Winfield, Kansas

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

Table 6

Fiscal Year	Real Property	Personal Property	[a] Utilities	Motor Vehicles	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2004	46,697	9,622	1,657	10,286	68,262	47.107	527,998	12.93%
2005	49,812	10,858	1,620	10,255	72,545	47.010	454,766	15.95%
2006	50,824	10,172	1,856	10,150	73,002	51.184	468,263	15.59%
2007	53,474	11,277	1,795	10,468	77,014	50.471	485,868	15.85%
2008	55,940	7,697	1,652	10,421	75,710	52.640	485,765	15.59%
2009	56,560	7,446	1,663	10,083	75,752	54.552	478,410	15.83%
2010	56,166	6,855	1,733	9,731	74,485	56.746	475,007	15.68%
2011	55,746	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%

Source: Cowley County Clerk, Treasurer, and Appraiser Offices

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

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

City of Winfield, Kansas

Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years

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

Year	Basic Rate	General Obligation Debt Svce	Total Direct Rate	Overlapping Rates			
				[a] USD 465	[b] State of Kansas	[b] Community College	[b] Cowley County
2004	36.487	10.620	47.107	55.957	1.500	17.423	34.797
2005	35.685	11.325	47.010	56.239	1.500	18.425	36.754
2006	40.778	10.406	51.184	58.327	1.500	18.595	39.035
2007	40.487	9.984	50.471	56.222	1.500	19.932	40.876
2008	40.893	11.747	52.640	60.679	1.500	19.976	42.270
2009	45.363	9.189	54.552	59.346	1.500	20.226	42.064
2010	56.746	9.650	66.396	62.251	1.500	20.219	43.036
2011	46.816	9.650	56.466	63.096	1.500	20.013	43.420
2012	45.704	9.364	55.068	58.600	1.500	19.020	40.100
2013	43.966	9.602	53.568	62.909	1.500	19.388	43.302

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.

[a] Approximately 76% of USD 465 property taxes are paid by City of Winfield citizens.

[b] Approximately 30% of Cowley County, the State of Kansas and the Community College property taxes are paid by City of Winfield citizens.

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

Table 8

Taxpayer	2013			2004		
	Assessed Valuation [1]	Rank	Percentage of Total City Taxable Assessed Value [a]		Rank	Percentage of Total City Taxable Assessed Value [a]
Newell Rubbermaid	\$ 3,993,198	1	6.12%	\$ 6,477,725	1	10.70%
Walmart	2,236,267	2	3.43%	378,950	9	0.63%
Insite	1,222,388	3	1.87%	-	-	-
Winfield Economic Development, Inc	1,182,733	4	1.81%	1,136,281	3	1.88%
Meadwestvaco	1,174,533	5	1.80%	-	-	-
Union Pacific Railroad	758,396	6	1.16%	434,672	7	0.72%
General Electric Company	687,324	7	1.05%	1,513,595	2	2.50%
Calmar	685,313	8	1.05%	-	-	-
Dillons	568,528	9	0.87%	684,650	5	1.13%
Galaxy Tool	438,269	10	0.67%	508,083	6	0.84%
Southwestern Bell	-	-	-	926,194	4	1.53%
The State Bank	-	-	-	416,293	8	0.69%
Quail Ridge Medical Arts	-	-	-	359,300	10	0.59%

[a] excludes motor vehicle valuation

Source: Cowley County Appraiser's Office

City of Winfield, Kansas

Property Tax Levies and Collections, Last Ten Fiscal Years

Table 9

Year	Taxes Levied For Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years [a]	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	2,925,990	\$ 2,672,634	91.34%	23,717	2,696,351	92.15%
2005	2,730,930	\$ 2,661,557	97.46%	45,666	2,707,223	99.13%
2006	2,928,070	\$ 2,774,735	94.76%	50,203	2,824,938	96.48%
2007	3,224,850	\$ 3,066,776	95.10%	54,037	3,120,813	96.77%
2008	3,361,313	\$ 3,093,973	92.05%	60,621	3,154,594	93.85%
2009	3,439,637	\$ 3,357,994	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%

Source: Cowley County Clerk and County Treasurer's office

[a] Excludes interest penalties

City of Winfield, Kansas

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

Table 10

Governmental Activities							
Year	General Obligation Bonds	Sales Tax Revenue Bonds	Temporary Notes	KDOT Loan	Contractual Debt	Certificates of Participation	Capital Leases
2004	9,205	590	1,195	-	266	412	334
2005	9,235	485	755	-	234	333	283
2006	9,365	375	2,335	800	201	253	1,219
2007	8,300	260	2,335	1,389	169	171	911
2008	11,730	145	-	1,232	136	87	827
2009	10,870	25	-	1,702	104	-	992
2010	11,552	-	-	71	72	-	831
2011	10,373	-	-	36	39	-	663
2012	9,071	-	3,410	-	33	-	498
2013	7,843	-	4,695	-	128	-	349

Business-type Activities									
Year	General Obligation Bonds	Utility Revenue Bonds	Temporary Notes	KDHE Loans	Certificates of Parti- cipation	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2004	-	-	-	13,047	2,808	762	28,619	3.3%	2,382
2005	-	-	-	13,397	2,437	10	27,169	3.1%	2,286
2006	-	-	-	12,898	2,057	-	29,503	2.9%	2,513
2007	-	-	-	12,242	1,669	-	27,446	2.5%	2,379
2008	-	-	-	11,563	1,273	-	26,993	2.6%	2,348
2009	-	-	-	10,911	860	106	25,570	2.3%	2,294
2010	6,618	-	-	3,937	445	58	23,584	2.1%	1,917
2011	6,197	-	-	3,499	-	9	20,816	1.7%	1,693
2012	5,774	-	550	-	-	3,064	22,400	N/A	1,812
2013	5,347	-	550	-	-	2,581	21,493	N/A	1,742.72

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

See Table 15 for personal income and per capita data

City of Winfield, Kansas

Ratio of General Bonded Debt Outstanding, Last Ten Fiscal Years

(dollars in thousands, except per capita)

Table 11

Year	General Bonded Debt Outstanding [c]			LESS: Amounts Restricted to Repaying Principal	Total	Percentage of Actual Taxable Value of Property [a]	Per Capita [b]
	General Obligation Bonds	Temporary Notes	KDOT GO Debt				
2004	9,205	1,195	-	(167)	10,233	1.94%	852
2005	9,235	755	-	(78)	9,912	2.18%	834
2006	9,365	2,335	-	(7)	11,693	2.50%	996
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 [d]	13,190	5,245	-	(463)	17,972	4.15%	1,457

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

[a] See T-6 for property value data

[b] Population data can be found in Table 15

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

[d] Includes \$5,347 thousand of GO debt, that is being repaid from water revenues.

City of Winfield, Kansas

**Direct and Overlapping Governmental Activities Debt
As of December 31, 2013**

(dollars in thousands)

Jurisdiction	General Obligation Bonded Debt Outstanding	Temporary Notes Outstanding	Capital Leases Outstanding	Interlocal Debt	Estimated Percentage Applicable to City of Winfield	Amount Applicable to City of Winfield
Direct:						
[a] City of Winfield	\$ 7,844	\$ 4,695	\$ 349	\$ 128	100.00%	\$ 13,016
Overlapping:						
USD #465	\$ 16,420	\$ -	\$ -	\$ -	70.35%	\$ 11,552
Cowley County	8,235	-	-	-	29.22%	2,406
Total Overlapping Debt	<u>32,499</u>	<u>4,695</u>	<u>349</u>	<u>128</u>		<u>13,958</u>
Total direct and overlapping debt				Total	<u>\$ 37,671</u>	<u>\$ 26,974</u>

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

Sources: Assessed valuation provided by Cowley County Clerk.
Debt outstanding data is provided by each governmental unit.

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

City of Winfield, Kansas

Legal Debt Margin Information, Last Ten Fiscal Years

(dollars in thousands)

Table 13

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit [1]	\$ 20,479	\$ 21,764	\$ 21,901	\$ 23,104	\$ 22,713	\$ 22,726	\$ 22,346	\$ 21,153	\$ 21,974	\$ 22,560
Total debt subject to full faith, credit of city	23,447	23,387	25,398	24,267	24,525	22,853	22,178	20,105	14,865	18,435
Less self- supporting debt [2]	<u>(13,047)</u>	<u>(13,397)</u>	<u>(12,898)</u>	<u>(12,242)</u>	<u>(11,563)</u>	<u>(10,911)</u>	<u>(10,555)</u>	<u>(9,696)</u>	<u>(5,773)</u>	<u>(5,347)</u>
Total net debt applicable to limit	<u>10,400</u>	<u>9,990</u>	<u>12,500</u>	<u>12,025</u>	<u>12,962</u>	<u>11,942</u>	<u>11,623</u>	<u>10,409</u>	<u>9,092</u>	<u>13,088</u>
Legal debt margin	<u>\$ 10,079</u>	<u>\$ 11,774</u>	<u>\$ 9,401</u>	<u>\$ 11,079</u>	<u>\$ 9,751</u>	<u>\$ 10,784</u>	<u>\$ 10,723</u>	<u>\$ 10,744</u>	<u>\$ 12,882</u>	<u>\$ 9,472</u>
Total net debt applicable to the limit as a percentage of debt limit	50.78%	45.90%	57.08%	52.05%	57.07%	52.55%	52.01%	49.21%	41.38%	58.01%

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

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

City of Winfield, Kansas

Pledged-Revenue Coverage, Last Ten Fiscal Years

(dollars in thousands)

Table 14

Electric Revenue Bonds and Certificates of Participation Debt [2]						
Year	Utility Service Charges	Less: Operating Expenses [1]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	17,981	15,883	2,098	982	107	1.93
2005	19,824	19,393	431	812	51	0.50
2006	22,984	22,692	292	80	15	3.07
2007	23,993	22,256	1,737	82	13	18.28
2008	24,141	26,231	(2,090)	84	12	(21.77)
2009	24,760	21,093	3,667	87	8	38.60
2010	21,669	20,964	705	90	5	7.42
2011	24,650	23,879	771	93	1	8.20
2012	26,098	24,202	1,896	-	-	-
2013	25,076	25,182	(106)	-	-	-

Water Revenue Bonds and KDHE Debt						
Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	1,821	1,418	403	80	93	2.33
2005	2,160	1,708	452	84	88	2.63
2006	2,293	1,187	1,106	303	306	1.82
2007	2,164	1,764	400	301	305	0.66
2008	2,054	1,810	244	317	289	0.40
2009	2,041	1,819	222	329	276	0.37
2010	2,135	1,741	394	342	263	0.65
2011	2,376	2,326	50	421	149	0.09
2012	2,470	2,419	51	421	148	0.09
2013	2,189	2,328	(139)	427	138	(0.25)

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

[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 14 (cont.)

Wastewater KDHE Debt						
Year	Utility Service Charges	Less: Operating Expenses [1]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	1,554	917	637	319	195	1.24
2005	1,536	987	549	329	181	1.08
2006	1,522	767	755	340	170	1.48
2007	1,498	1,091	407	351	162	0.79
2008	1,646	1,110	536	363	151	1.04
2009	1,672	936	736	413	153	1.30
2010	1,810	1,095	715	434	132	1.26
2011	1,943	1,729	214	438	125	0.38
2012	2,073	1,781	292	465	87	0.53
2013	2,095	1,629	466	482	66	0.85

Quail Ridge Golf Course Certificates of Participation Debt [2]						
Year	Golf Course Fees	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	407	348	59	256	149	0.15
2005	398	408	(10)	256	68	(0.03)
2006	371	407	(36)	301	61	(0.10)
2007	506	655	(149)	307	50	(0.42)
2008	510	731	(221)	312	41	(0.63)
2009	509	681	(172)	326	31	(0.48)
2010	468	615	(147)	325	20	(0.43)
2011	459	753	(294)	352	7	(0.82)
2012	449	674	(225)	-	-	0.00
2013	412	564	(152)	-	-	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 14 (continued)

Special Assessment Bonds				
<u>Year</u>	<u>Special Assessment Collections</u>	<u>Debt Service [1]</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
2004	165	128	34	1.02
2005	108	129	30	0.68
2006	116	133	25	0.73
2007	176	112	121	0.76
2008	168	155	68	0.75
2009	164	69	123	0.85
2010	206	186	152	0.61
2011	208	192	145	0.62
2012	257	219	138	0.72
2013	205	225	130	0.58

Sales Tax Revenue Bonds [2]				
<u>Year</u>	<u>Sales Tax Collections</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
2004	1,542	100	21	12.74
2005	1,515	105	18	12.32
2006	1,602	110	16	12.71
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	-	-	-

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 14 (concluded)

Year	KDOT Stormwater Revenue Debt						Coverage
	Stormwater Revenue Collections	Less: Operating Expenses [1]	Net Available Revenue	Debt Service			
				Principal	Interest		
2007	\$ 152	\$ 47	\$ 105	\$ 70	\$ 28	1.07	
2008	158	92	66	70	28	0.67	
2009	149	35	114	73	25	1.16	
2010	149	61	88	75	23	0.90	
2011	150	114	36	82	9	0.40	
2012	150	106	44	84	7	0.48	
2013	152	110	42	85	6	0.46	

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 15

Year	Population [1]	Personal Income [1] <i>(thousands of dollars)</i>	Per Capita Personal Income [1]	School Enrollment [2]	Unemployment Rate [3]
2004	12,016	864,007	26,292	2,470	6.5%
2005	11,886	873,042	26,942	2,411	5.8%
2006	11,741	1,016,576	29,304	2,403	4.7%
2007	11,539	1,081,637	30,471	2,384	3.4%
2008	11,497	1,051,005	31,713	2,434	5.4%
2009	11,148	1,126,122	30,391	2,475	6.8%
2010	12,301	1,135,511	30,359	2,536	7.1%
2011	12,292	1,196,317	32,982	2,461	6.2%
2012	12,365	N/A	N/A	2,318	5.8%
2013	12,333	N/A	N/A	2,449	4.8%

[1] Provided by Kansas University Institute for Policy and Social Research and U.S. Bureau of Economic Analysis. 2012-2013 information not available as of publication date for per capita personal income, or 2012 personal income figures

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

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

City of Winfield, Kansas

Principal Employers, Current Year and Nine Years Ago

Table 16

Employer	2013			2004		
	Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
Newell-Rubbermaid	969	1	20.03%	N/A	-	0.00%
General Electric Co	766	2	15.84%	N/A	-	0.00%
Creekstone Farms Premium Beef	723	3	14.95%	N/A	-	0.00%
U.S. D. #465	660	4	13.64%	N/A	-	0.00%
U.S. D. #470	463	5	9.57%	N/A	-	0.00%
Calmar, Inc (MeadWestVaco)	305	6	6.31%	N/A	-	0.00%
William Newton Memorial Hospital	290	7	6.00%	N/A	-	0.00%
Kan-Pak	253	8	5.23%	N/A	-	0.00%
South Central Medical Center	216	9	4.47%	N/A	-	0.00%
Galaxy Technology	210	10	4.34%	N/A	-	0.00%
Western Industries	-	-	-	N/A	-	0.00%
Southwestern College	-	-	-	N/A	-	0.00%
Winfield Correctional Facility	-	-	-	N/A	-	0.00%
City of Winfield	-	-	-	N/A	-	0.00%
Cowley College	-	-	-	N/A	-	0.00%
Cowley County	-	-	-	N/A	-	0.00%
Kansas Veteran's Home	-	-	-	N/A	-	0.00%
City of Arkansas City	-	-	-	N/A	-	0.00%

Source: Kansas Department of Commerce and respective employer representatives
 Comparable data was unavailable for 2004.

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

City of Winfield, Kansas

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

Table 17

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government										
Management services	15	15	14	14	13	13	13	13	13	14
Legal/court	1	1	2	2	2	2	2	2	2	2
Utility billing	6	6	7	7	7	7	7	7	8	7
Engineering	9	8	8	8	8	8	8	7	8	7
Service and operations center	10	10	10	10	9	9	9	8	9	10
Public safety										
Fire	20	20	20	20	20	20	20	19	19	20
Police	27	29	29	30	31	32	31	31	31	26
Public works/stormwater	7	8	7	7	6	6	6	6	6	6
Cemetery	2	2	2	2	2	2	2	2	2	2
Culture and recreation	10	9	9	9	9	9	9	9	9	9
Health and welfare			-							
Economic development			-							
Electric	31	31	31	29	28	29	28	29	28	26
Gas	13	13	12	12	11	10	11	9	8	8
Water	12	12	12	12	13	12	13	12	11	12
Refuse	10	11	11	11	10	10	10	10	9	8
Wastewater	8	8	9	8	8	8	8	8	8	8
Golf course	4	3	4	4	4	4	4	4	3	3
Total	<u>185</u>	<u>186</u>	<u>187</u>	<u>185</u>	<u>181</u>	<u>181</u>	<u>181</u>	<u>176</u>	<u>174</u>	<u>168</u>

Source: City records

City of Winfield, Kansas

Operating Indicators by Function/Program, Last Ten Fiscal Years

Table 18

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Building permits issued	204	192	212	185	254	309	381	328	324	313
Municipal court cases	1,437	1,381	1,409	1,456	1,418	1,141	908	1,066	929	984
Police										
Class I Offenses	750	908	856	1,016	799	630	610	762	615	734
Domestic Violence/DUI/Drug Arrest	254	292	245	330	301	327	385	276	181	201
Accidents	405	423	354	494	395	408	362	311	346	322
Fire										
Total responses	1,283	1,441	1,491	1,582	1,530	1,481	1,682	1,723	1,734	1,606
Parks and recreation										
Aquatic center attendance	19,605	21,163	22,344	18,885	18,466	19,931	20,618	20,565	17,613	14,441
Annual lake permits	2,142	2,200	2,285	1,929	1,851	2,315	3,088	2,159	1,548	1,429
Cemetery										
Cemetery spaces sold	39	73	82	41	61	85	62	77	77	49
Streets maintenance										
Resurfacing, annual in tons	1,648	4,460	4,617	4,940	1,343	1,965	1,285	4,660	5,774	3,220
Electric utility										
MWH sold, annual	276,534	276,206	295,879	322,231	306,588	259,957	281,210	277,467	293,650	304,843
Peak daily consumption, MWH	58,596	61,900	66,700	68,700	66,000	59,420	61,132	65,385	66,825	64,734
Gas Utility										
MCF sold, annual	637,359	604,736	546,357	574,357	636,285	576,264	582,502	574,253	469,299	573,585
Water Utility										
Gallons sold, annual, in thousands	752,735	701,406	785,958	691,838	647,747	661,432	688,586	762,729	741,021	705,878
Refuse (annual tons, in thousands)										
Refuse collected	9,150	8,926	8,700	8,375	8,142	7,883	8,170	8,032	7,617	7,784
Recyclables collected	1,106	1,069	1,166	1,185	1,241	1,176	1,174	1,147	1,150	518
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 2013, the City no longer collected recyclables. August 2013, began operating under single stream recycling.

City of Winfield, Kansas

Capital Asset Statistics by Function, Last Ten Fiscal Years

Table 19

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (marked)	17	17	17	17	17	17	17	17	17	22
Fire stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	130	130	130	130	130	130	130	130	130	130
Parks and recreation										
Public park acreage	294	294	294	294	294	294	294	294	294	294
Base/softball diamonds	4	5	5	5	5	5	5	5	5	5
Soccer fields	3	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]	N/A	N/A	N/A	114	114	114	114	114	114	114
Gas Utility										
Gas main lines (miles) [1]	N/A	N/A	N/A	95	95	95	95	95	95	95
Water Utility										
Water main lines (miles) [1]	N/A	N/A	N/A	95	95	95	95	95	95	95
Fire hydrants [1]	N/A	N/A	N/A	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)	N/A	N/A	N/A	71	71	71	71	71	73	73
Treatment capacity (thousands, per day)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

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

N/A not available from city records

CITY OF WINFIELD, KANSAS
SCHEDULE OF INSURANCE COVERAGES

December 31, 2013

Insurance Company	Policy Period		Type	Coverage	Premium	Coverage Amount	Aggregate	Table 16
	From	To						Deductible
Kansas Eastern Region Insurance Trust	1/1/2013	12/31/2013	Workers' Compensation	All City Employees	\$171,710.00	\$ Statutory	\$	
				Employers' liability limit				
				Bodily Injury by Accident	Each	1,000,000		
				Bodily Injury by Disease	Policy Limit	1,000,000		
				Bodily Injury by Disease	Each Empl.	1,000,000		
Employers Mututal	4/1/2013	4/1/2014	Property-Replacement Cost	Building/contents, 90% coins.	\$204,179.00	77,416,510		5,000
				Lights, 90% coins.	\$2,216.00	589,567		2,500
				Golf course (bus. income), 50% coins.	\$778.00	200,000		5,000
				Golf course Peak Season 90% Replacement Cost		77,037		
				Extra exp, per location	\$4,706.00	250,000		5,000
				Wastewater Trtmt Plant		244,689		
Employers Mutual	4/1/2013	4/1/2014	Property-E 12th & W.14th Power Plants	E. 12th Power Plant	\$75,399.00	42,485,880		5,000
				W. 14th Power Plant		13,097,419		5,000
				Contents		50,000 ea loc.		
Employers Mututal	4/1/2013	4/1/2014	Auto liability - all City rolling stock	Liability and U.M.	\$55,104.00	500,000		
				Specified perils	\$7,869.00			500
				Comprehensive	\$14,204.00			500
				Collision	\$26,756.00			1,000
				Hired/borrowed vehicles	\$478.00			100/500
				Endorsements	\$1,345.00			Varies
Federal Ins. Co - Chubb	12/1/2013	12/1/2014	Boiler and machinery	Blanket	\$98,071.00	53,068,670		Varies
Employers Mututal	4/1/2013	4/1/2014	General liability	Each occurrence limit	\$71,745.00	500,000	1,000,000	500
				Products completed		500,000	1,000,000	
Employers Mutual	4/1/2013	4/1/2014	Employee benefits	Benefits	In w/Liability	500,000	1,000,000	1,000
United States Liability Ins. Co.	9/22/2013	9/22/2014	Public officials liability	Each wrongful act- Winfield Housing Auth.	\$1,320.00	1,000,000	1,000,000	
Employers Mutual	4/1/2013	4/1/2014	Public officials liability	Linebacker - Directors & Officers	\$11,552.00	1,000,000	1,000,000	3,000
Employers Mutual	4/1/2013	4/1/2014	Public officials liability	Linebacker - Law Enforcement	\$15,738.00	1,000,000	2,000,000	2,500
Hartford Fire Insurance Co.	5/5/2013		Animal Mortality	Police Dog	\$842.00	\$10,600.00		
Employers Mutual	12/1/2013	12/1/2014	Public officials bond	City treasurer	\$300.00	100,000		
Employers Mutual	4/1/2013	4/1/2014	Government Crime	Employee Theft/Blanket	\$1,140.00	100,000		500
American Bankers Ins Co. of Florida	4/17/2013	4/17/2014	Flood	Grandstands	\$6,133.00	500,000		4,000
Employers Mutual	4/1/2013	4/1/2014	Contractors equip Property Floater	Contractors equipment Telephone system Golf Cars, Mowers	\$15,209.00 \$611.00 \$3,323.00	2,501,509 94,000 301,786		1,000 500/5,000 1,000
Employers Mutual	4/1/2013	4/1/2014	General liability Auto liability Linebacker	Rural Fire Dist #7	\$250.00 \$150.00 \$1,696.00	500,000 500,000 1,000,000	500,000	1,000 1,500
National Indemnity Company	4/2/2013	4/2/2014	Trolley - Auto Cvg.	Liability Personal Injury Protection	\$732.00 \$37.00	500,000		500
				Uninsured Motorists Comprehensive	\$44.00 Incl.	500,000		500
Source: City records				Collision	\$708.00			500