



Comprehensive ANNUAL Financial REPORT

CITY OF WINFIELD, KANSAS
CITY OF WINFIELD, KANSAS

for Fiscal Year Ending
December 31, 2010



CITY OF WINFIELD, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

CITY COMMISSION AND MAYOR

Mayor G. Thomas McNeish
Commissioner Phillip R. Jarvis
Commissioner Taggart L. Wall

CITY MANAGER

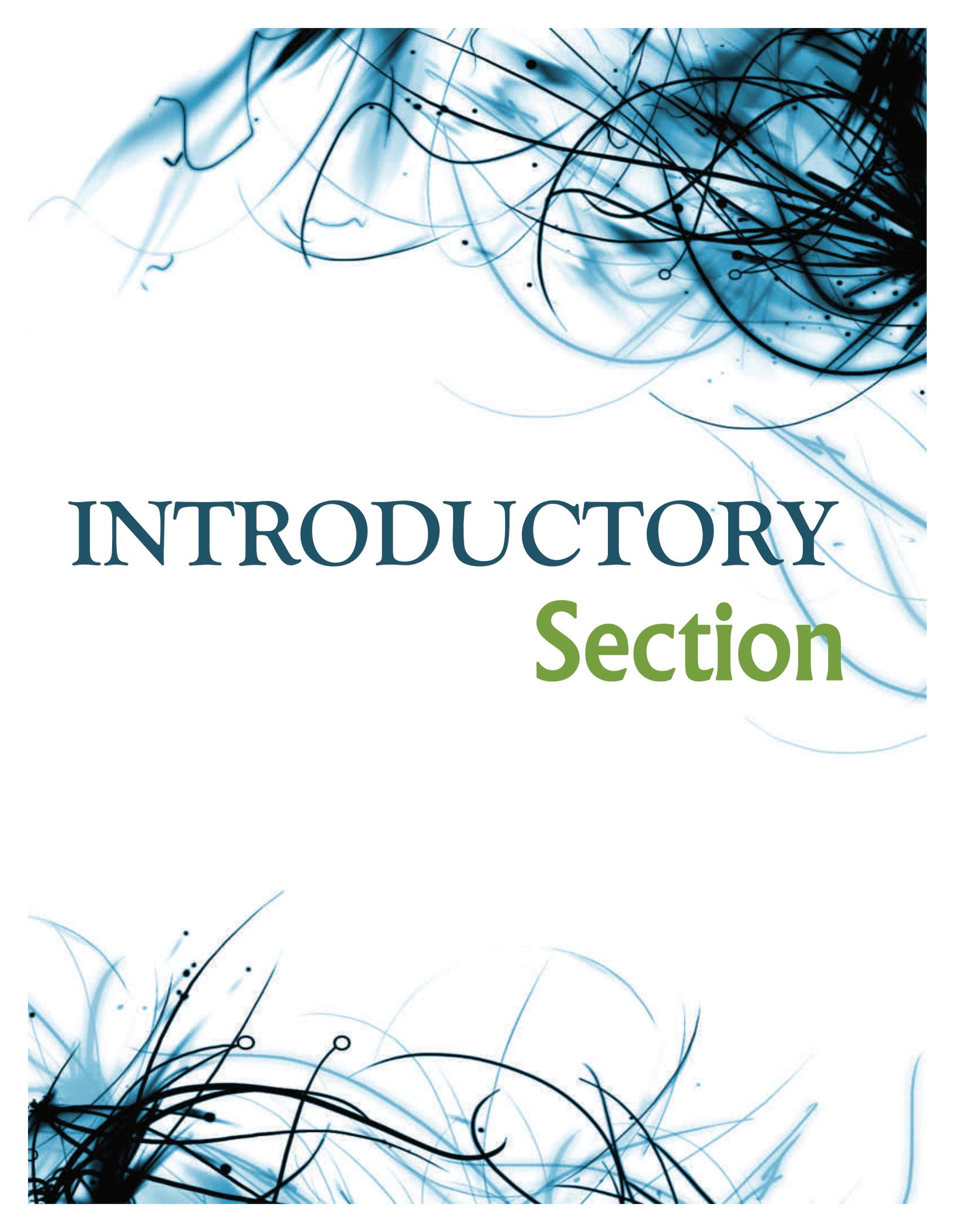
Warren Porter

CITY CLERK

Brenda Peters

DIRECTOR OF FINANCE/CITY TREASURER

Anne Jarrett



INTRODUCTORY Section



July 15, 2011

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, 2010. 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.

Report Format

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.

Accounting Systems and Internal Controls

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.

Independent Audit

Kansas statute 75-1122 requires an annual audit of all funds of the City by independent certified public accountants. The firm of Edw. B. Stephenson & Co, CPAs, Chartered, issued an unqualified opinion on the City of Winfield's financial statements for the year ended December 31, 2010. The independent auditor's report is located on page A-1 in the Financial Section of this report.

Profile of the City of Winfield

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

The City is unique in providing a full range of municipal utility services to its citizens, including electric and gas utilities, water, wastewater, and sanitation services. Other municipal services include police and fire protection; construction and maintenance of streets, drainage facilities and other infrastructure; recreation and cultural activities; a municipal golf course, community and industrial development; planning and zoning; building inspection; cemetery maintenance; general administration; and internal support services. 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 each odd year. 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.

The annual budget serves as the foundation for the city's financial planning and control. All departments submit proposed department budgets to the City Manager each spring, which are used as the starting point for developing a City proposed budget. A final proposed budget is submitted to the City Commission for review in July each year. The council is required to hold public hearings on the proposed budget and to adopt a final budget no later than August 25.

The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at an individual fund level, but is internally monitored by function and activity within an individual fund. The City also maintains an encumbrance accounting system as a tool of budgetary control. Unencumbered appropriations lapse at year end; however, legal encumbrances at year end are carried forward to the subsequent year. As demonstrated by statements and schedules included in the financial section of this report, the city continues to meet its responsibility for sound financial management. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated budget has been adopted. For the general fund, the comparison is presented on page A-21 as part of the basic financial statements. For other funds, the comparison is presented in the combining statements and schedules area of this report, beginning on page B-1.

Local Economy

The intersection of U.S. Highway 160 and Interstate I-35 is located in the center of Winfield. The cities of Arkansas City and Winfield jointly own Strother Field Airport, 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 1,500 students.

The City provides a pick-up recycling program to its citizens, along with composting site facilities, available at no charge to area residents. .

Compared with the prior year, retail sales tax receipts increased 0.4%, and property tax revenues increased by 0.12%. Real estate property assessed valuation decreased 0.12% from 2009 to 2010, reflecting steady property values. The City issued eight single-family home permits, and a total of \$8.3 million of building permits in 2010. This is comparable to the 2009 statistics of nine single-family permits and \$8.9 million of building permits. Winfield was not shielded from the struggling national economy in late 2008 and through 2009. The 2010 year showed turnaround. At the end of 2010, Cowley County unemployment was at 7.1%, and dropped to 6.7% at the end of June 2011.

City Business and Financial Planning

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

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

The City had numerous large capital projects in the years 1998 through 2008, that have provided long term 'quality of life' enhancements, and to maintain necessary city infrastructure. Years 2009 -2012 are viewed as stabilization years. The city-wide debt load has dropped from approximately \$29.5 million at the end of 2006 to \$23.6 million at the end of 2010. The City anticipates the debt balances to decrease approximately \$4 million in 2011-2012, setting the state of future development and capital projects. ,

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

Cash Management Policies and Practices

The City maintains its cash and investments under a pooled concept. This mechanism enhances the city's investment possibilities. The City requests competitive bids on all investments in accordance with K.S.A. 12-1675. Idle funds are used to purchase certificates of deposit or other allowable investments, with maturities scheduled to meet anticipated cash flow requirements. During 2010, an average of \$9.8 million was invested for an average of 83 days, at an average rate of 0.57%.

Major Initiatives

- The city's electric utility completed major repairs to its gas turbine electric production equipment in 2010. Insurance proceeds covered approximately 70% of the total \$1.3 million project cost
- Construction was completed in 2010 on a new wastewater lift station, at the south end of the City, to handle increased wastewater flow from newer housing developments.
- The city completed a street maintenance resurfacing of a nine block area on US-77. The project included resurfacing, and ADA compliance sidewalks and ramps
- The City continued sidewalk and other infrastructure improvements, related to ADA compliance.

Certificate of Achievement and Acknowledgments

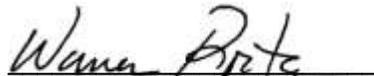
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Winfield for its comprehensive annual financial report for the year ended December 31, 2009. This was the tenth consecutive year that the City has received this prestigious award.

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

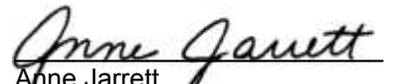
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,


Warren Porter
City Manager


Brenda Peters
City Clerk


Anne Jarrett
Director Finance/City Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Winfield
Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

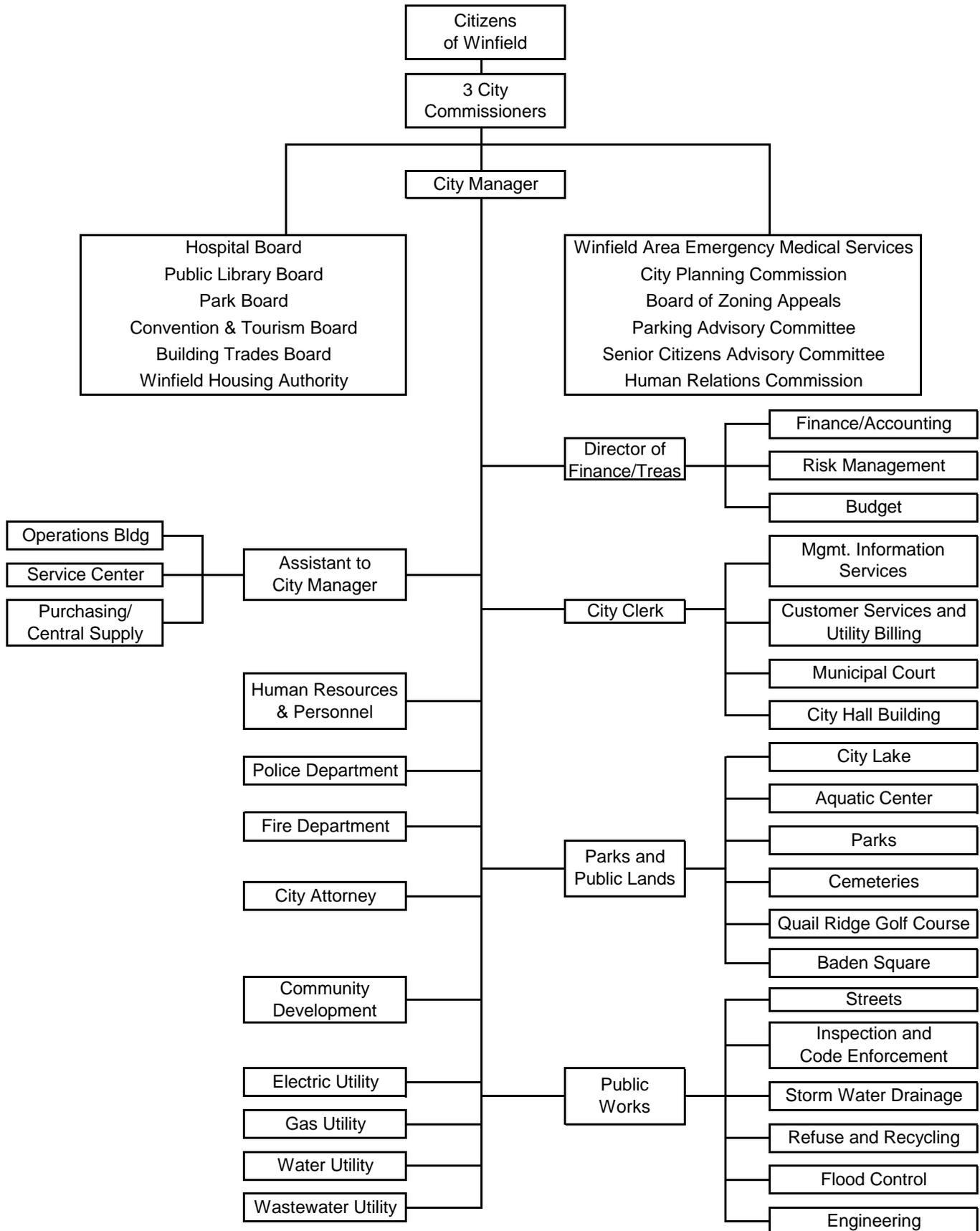
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

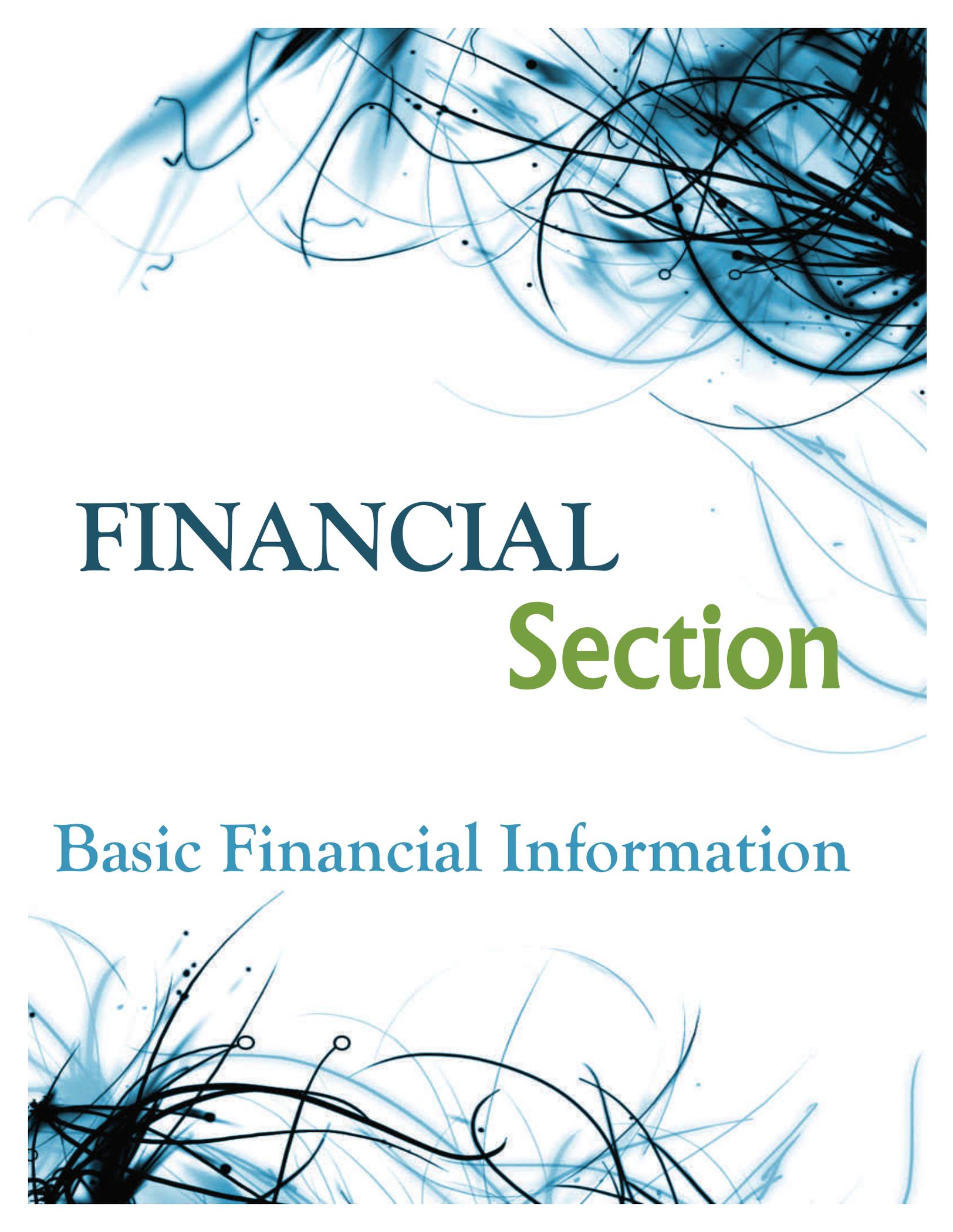
Executive Director

CITY OF WINFIELD, KANSAS ORGANIZATIONAL CHART



CITY OF WINFIELD, KANSAS
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2010

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

The background of the slide is a complex, abstract pattern of thin, dark blue and black lines and dots. The lines are mostly curved and intersecting, creating a sense of movement and complexity. The dots are small and scattered throughout the pattern. The overall color palette is dominated by shades of blue and black, with a white background for the text.

FINANCIAL Section

Basic Financial Information

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

EDW. B. STEPHENSON
(1905-1985)

JAMES R. DOBBS
(1927-1997)

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

MORRIS W. JARVIS
(1935-1999)

N. DEAN BRADBURY
(1936-2005)

LOREN L. PONTIOUS
(Retired)

SHAREHOLDERS

MAURICE P. ROBERTS, CPA

AARON R. IVERSON, CPA

MICHAEL B. NORTON, CPA

ACCOUNTANTS

MELISSA J. SCHOOLEY

SARAH M. KINDT

CHET D. BEERS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Winfield, Kansas, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements, as listed in the Table of Contents. These financial statements are the responsibility of the City of Winfield, Kansas' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Winfield Housing Authority, which represents 81 percent and 13 percent, respectively, of the assets and revenues of the component units. Those financial statements of the Winfield Housing Authority were reviewed by us, and we issued a report expressing limited assurance that there are no material modifications that should be made to the statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

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

In our opinion, based on our audit and the limited assurance report as stated in the first paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Winfield, Kansas, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and required supplementary information, as listed in the Table of Contents, are not a required part of the basic financial

1002 Main Street
Winfield, Kansas 67156
620-221-9320
FAX 620-221-9325

statements of the City of Winfield but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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 tables listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Winfield, Kansas. The combining and individual nonmajor fund financial statements and schedules subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, subject to the exceptions noted in the preceding disclaimer and qualification, are fairly presented in all material respects in relation to the basic financial statements, taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on such information.

Edw. B. Stephenson & Co., CPAs, Chtd.

Winfield, Kansas
August 30, 2011

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, 2010. 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 2010

- The City's total net assets increased during the fiscal year ended 2010, approximately \$1.36 million, or 2 percent.
- The cost of governmental activity in 2010 was \$10.3 million, an increase of \$1.3 million from 2009. The amount of that paid by taxpayers through either property taxes or sales taxes was \$5.6 million, or 54 percent.
- Non-current liabilities in the governmental activities decreased by \$770 thousand from 2009 to 2010.
- Non-current liabilities in the business type activities decreased by \$1.232 million from 2009 to 2010.
- General obligation debt of \$8.535 million was issued in 2010. \$7.64 million of that issue was current refunding debt, resulting in a net economic gain of \$588 thousand. 78% of the \$8.535 million bonds was to refund water fund debt. The remaining 22% was for governmental activities and debt.
- The general fund, on a current financial resource basis, reported \$106 thousand of expenditures and other financing uses in excess of revenues and other financing sources.
- On December 31, 2010, the General Fund reported a budgetary fund balance of \$9,259, amounting to 0.1 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 companies. The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets will serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating, absent extraordinary events.

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

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

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

gas distribution, water purification and distribution, refuse collection, wastewater collection and treatment, and the municipal golf course.

- Component units – The Winfield Public Library, Winfield Area Emergency Medical Services, and the Winfield Public Housing Authority are presented as components 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 group of related 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 funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements, with the exception of the stormwater drainage enterprise fund. The stormwater drainage fund is included as a governmental activity in the government-wide financial statements. Governmental fund financial statements focus on cash flows and other financial assets that can be readily converted to cash and are available in the near future to finance the City's programs. The differences between the short-term view of governmental fund statements and the long-term view of the governmental activities on the entity-wide financial statements are provided in reconciliations on pages A-17 and A-19. Primary differences are the impact of accounting for capital assets and their long-term financing. The basic fund financial statements can be found on pages A-16 through A-32 of this report.

The City of Winfield maintained 27 individual governmental funds in 2010. 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 24 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* account for services for which the City charges customers and include both enterprise and internal services funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. Enterprise funds account for electric, gas, water, refuse, wastewater, stormwater, and golf course operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the city's various functions. Internal service funds account for the City's management services, fleet management, technology, purchasing and inventory, and self-insurance programs. Because internal services benefit both governmental and business-type functions, the assets and activities of the internal service funds have been allocated between governmental and business-type activities in the government-wide financial statements.

Proprietary funds report the same types of information as the government-wide financial statements, however in greater detail. The proprietary fund financial statements provide separate information for the electric, gas, water, wastewater, and golf course funds, all of which are considered to be major funds of the City. The nonmajor funds, refuse and stormwater, are consolidated into an aggregated presentation on the proprietary fund financial statements, as are the internal service funds. Individual fund data for proprietary funds (enterprise and internal service funds) can be found on pages C-1 through D-8 of this report.

- *Fiduciary funds* report on activities for which the City is the trustee, or fiduciary, and like proprietary funds, present information based on the full accrual basis of accounting. Fiduciary funds include funds that are

not available to support the City's own programs. The City's responsibility is to ensure that the assets reported in these funds are used for the intended purposes only. Activities conducted in a fiduciary capacity are excluded from the city's government-wide financial statements because the City is prohibited from using fiduciary assets to finance its operations. The basic fiduciary fund financial statements can be found on page A-32 of this report.

- o *Notes to the financial statements* provide information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow the basic financial statements.
- o *Other Information* – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information in relation to the municipal golf course, found on page H-23. The combining statements referred to earlier in connection with nonmajor funds follow the notes to the financial statements.

Government Wide Financial Analysis

Net assets of the primary government – Over time, net assets can serve as a useful indicator of the City's financial position. Table 1 summarizes net assets of the primary government.

Table 1

**City of Winfield, Kansas
Net Assets
As of December 31, 2010
(with comparative totals for December 31, 2009)
(in thousands of dollars)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Cash and investments	\$ 3,049	\$ 2,876	\$ 6,160	\$ 6,609	\$ 9,209	\$ 9,485
Other assets	7,432	7,670	5,641	4,801	13,073	12,471
Capital assets	27,698	28,051	50,239	50,912	77,937	78,963
Total assets	<u>38,179</u>	<u>38,597</u>	<u>62,040</u>	<u>62,322</u>	<u>100,219</u>	<u>100,919</u>
Long-term liabilities	11,321	12,091	9,982	11,214	21,303	23,305
Other liabilities	5,721	5,547	3,474	3,702	9,195	9,249
Total liabilities	<u>17,042</u>	<u>17,638</u>	<u>13,456</u>	<u>14,916</u>	<u>30,498</u>	<u>32,554</u>
Net assets:						
Capital assets, net of debt	15,222	18,468	39,238	39,035	54,460	57,503
Restricted	1,101	744	200	200	1,301	944
Unrestricted	4,814	1,747	9,146	8,171	13,960	9,918
Total net assets	<u>\$ 21,137</u>	<u>\$ 20,959</u>	<u>\$ 48,584</u>	<u>\$ 47,406</u>	<u>\$ 69,721</u>	<u>\$ 68,365</u>

The City's net assets increased \$1.4 million during the 2010 fiscal year. Approximately 78 percent of the City's net assets reflect investment in capital assets (e.g. land, buildings, improvements, equipment), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently the capital assets are not available for future spending. An additional portion of these assets (2 percent) represents resources that are subject to external restrictions on how they may be spent. The unrestricted portion of total net assets is \$14 million, or 20 percent, available to meet the city's ongoing obligations.

Governmental activities - The governmental activities portion of unrestricted net assets totals \$4.8 million, or 23 percent of total governmental activities net assets. Capital assets, net of related debt, comprise 72 percent of total governmental activities net assets. Long-term liabilities decreased by \$770 thousand million from 2009 to

2010. The City issued \$8.535 million in general obligation bonds in 2010, and \$1.917 million of the new bonds is included in governmental activities.

Business-type activities – The business-type activities portion of unrestricted net assets total \$9.1 million, or 19 percent of total business-type activities net assets. Capital assets, net of related debt, comprise 81 percent of the total net assets. Long-term liabilities decreased by \$1.2 million from 2009 to 2010. \$6.618 million of general obligation bonds issued in 2010 was refunding of water fund debt, and is included in business-type liabilities.

Table 2, below, summarizes total City revenues and expenses for the fiscal year ending December 31, 2010:

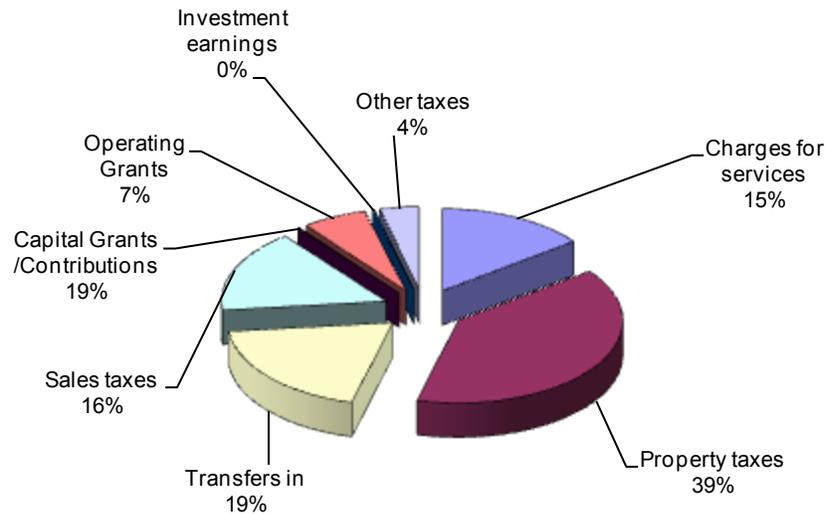
Table 2

City of Winfield, Kansas
Changes in Net Assets
As of December 31, 2010
(with comparative totals for December 31, 2009)
(in thousands of dollars)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Gov't</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues						
Program revenues:						
Charges for services	\$ 1,496	\$ 1,576	\$ 32,938	\$ 35,862	\$ 34,434	\$ 37,438
Operating grants and contributions	641	484	-	-	641	484
Capital grants and contributions	13	594	798	199	811	793
General revenues:						
Property taxes	3,995	3,947	-	-	3,995	3,947
Sales taxes	1,651	1,643	-	-	1,651	1,643
Franchise fees	218	209	-	-	218	209
Other taxes	172	118	-	-	172	118
Miscellaneous income	-	107	-	-	-	107
Investment interest	22	68	36	111	58	179
Total revenues	<u>8,208</u>	<u>8,746</u>	<u>33,772</u>	<u>36,172</u>	<u>41,980</u>	<u>44,918</u>
Expenses						
General government	1,378	1,136	-	-	1,378	1,136
Public safety	4,486	4,363	-	-	4,486	4,363
Public works	1,392	1,511	-	-	1,392	1,511
Cemetery	165	143	-	-	165	143
Culture and recreation	1,910	1,405	-	-	1,910	1,405
Health and welfare	334	354	-	-	334	354
Economic development	149	165	-	-	149	165
Interest on debt	500	484	-	-	500	484
Electric	-	-	21,108	20,755	21,108	20,755
Gas	-	-	4,434	4,566	4,434	4,566
Water	-	-	2,318	2,444	2,318	2,444
Refuse	-	-	1,200	1,232	1,200	1,232
Wastewater	-	-	1,865	1,730	1,865	1,730
Golf course	-	-	814	881	814	881
Total expenses	<u>10,314</u>	<u>9,561</u>	<u>31,739</u>	<u>31,608</u>	<u>42,053</u>	<u>41,169</u>
Excess before transfers, special items, and prior year restatements	(2,106)	(815)	2,033	4,564	(73)	3,749
Transfers	1,957	1,858	(1,957)	(1,858)	-	-
Restatements	327	-	1,102	-	1,429	-
Increase (decr) in net assets	<u>\$ 178</u>	<u>\$ 1,043</u>	<u>\$ 1,178</u>	<u>\$ 2,706</u>	<u>\$ 1,356</u>	<u>\$ 3,749</u>

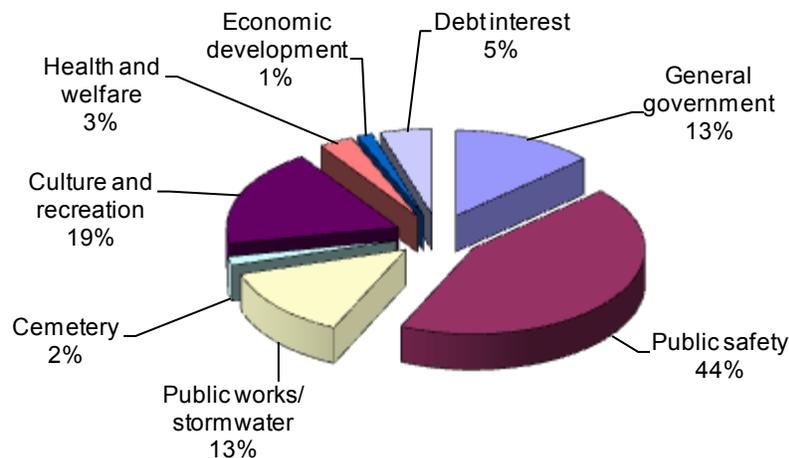
Governmental Activities - As indicated above, governmental net assets increased by \$178 thousand in 2010. Total governmental expenses increased 8%, while revenues decreased 6% from 2009.

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 million, or 39 percent of the City's governmental activities 2010 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 and federal grants revenues.

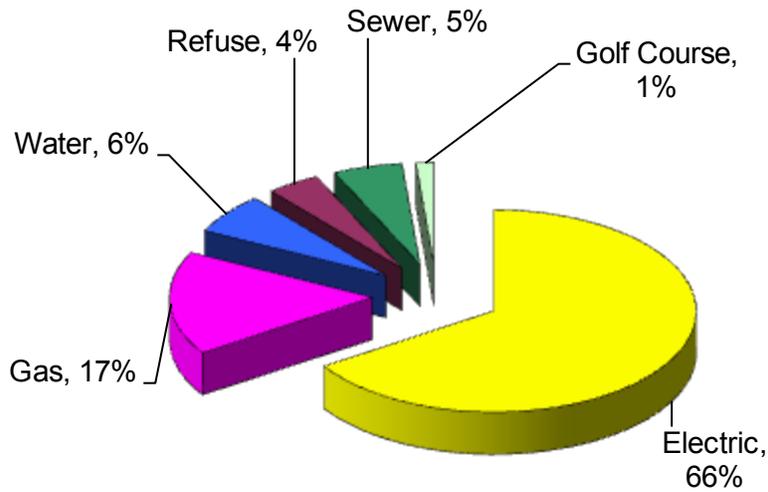
Functional Expenses - Governmental Activities



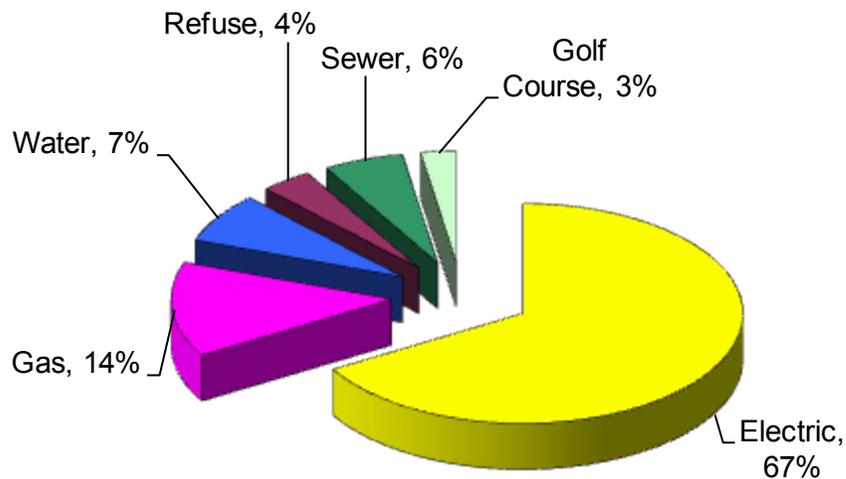
Public safety expense continues to represent the largest governmental expense, \$4.5 million, or 44 percent of the City's total governmental expenses of \$10.3 million.

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

Program Revenues - Business Type Activities



Program Expenses - Business Type Activities



Highlights in the business-type activities area include:

- For business-type activities, overall expenses increased very slightly, \$131 thousand, from 2009, and program revenues decreased \$2.4 million. 2010 utility sales were comparable to 2009 sales in both the gas and water utilities. Electric kwh sales increased 6.5% over 2009, a partial recovery from the 2008 downturn, due to decreased manufacturing production. The decrease in electric dollar sales amounts was due to a 2009 partial recovery of ECA costs incurred in 2008.
- Gas MCF sales remained stable, increasing 1% in 2010. Net operating income of the gas fund was \$935 thousand in 2009 and \$1 million in 2010.
- Quail Ridge golf course activity was down slightly from 2009. The City reduced operation costs at the golf course to offset decreased revenues. The municipal golf course's operating loss decreased by \$22 thousand in 2010, amounting to a \$301 thousand operating loss. In addition, cash flows from golf course revenues are not adequate to meet the debt payments, and the City transfers surplus funds from other proprietary funds annually to cover the gap. In 2010, golf course debt principal and interest

payments amounted to \$345 thousand, and \$490 thousand was transferred from the gas utility fund to the golf course fund. The golf course debt will be fully retired in year 2011.

- 2010 water gallon sales increased 4% over 2009. Three consecutive years of unusually wet weather have had a significant impact on water sales volume; 2010 was 9% below a five year average volume. The water utility incurred an operating income of \$53 thousand in 2010.
- The wastewater utility fund incurred a \$92 thousand operating profit in 2010. The City increased sewer user charges in early 2008, rates to increase over a five year period.

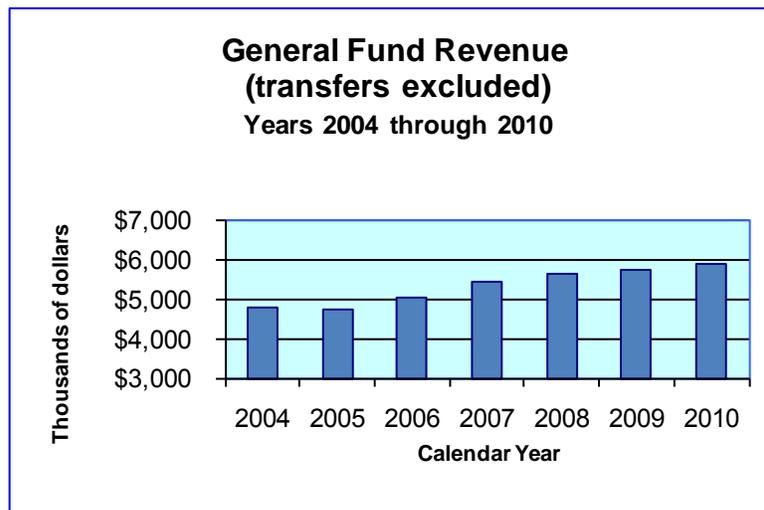
Financial Analysis of the Government's Funds

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. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year ending December 31, 2010, the City's governmental funds reported a combined ending fund balance of \$2.0 million, an increase of \$129 thousand in comparison with the prior year. Approximately 83 percent of this total amount, \$1.7 million, constitutes unreserved fund balance, available for spending at the City's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate encumbrances of the prior period, fund required debt reserves, fund inventory levels, and fund specific capital projects.

General Fund - The general fund is the major operating and taxing fund for the City of Winfield. At the close of 2010, the general fund balance was \$255 thousand, compared to \$361 thousand at the close of 2009. The unreserved fund balance of \$226 thousand represents 3 percent of the total 2011 appropriated budget. Excluding transfers to and from the general fund and the debt payments related to a 2006 purchase of a \$1 million fire truck, the overall general fund expenditures increased 2 percent, while revenues increased 3 percent.



Major revenue sources in the General fund include:

- Property taxes collected amounted to \$2.6 million. Property tax collections were 98 percent of projected revenues in 2010. The 2010 City mill levy increased levy approximately 2 mills from 2009.
- Sales tax collected amounts to \$1.65 million. Sales tax collections fell short of projected revenues by 4 percent. The nationwide economic downturn in late 2008 and 2009 significantly impacted the 2010 sales tax city's revenues.

- o In 2010, total 'in lieu of' franchise fees from the other utilities decreased 5 percent, \$110 thousand under over the prior year, primarily due to the decrease in the electric utility's gross revenues. These amounts are treated as interfund transfers in the financial statements.

General funds expenditures, excluding transfers, totaled \$6.85 million, 2 percent above 2009 amounts.

	2004	2005	2006	2007	2008	2009	2010	7 Yr Average Annual Growth
General gov't	\$ 933	\$ 607	\$ 837	\$ 823	\$ 768	\$ 810	\$ 782	-0.5%
Public safety	3,195	3,485	4,670	3,858	4,378	4,223	4,273	5.3%
Cemetery	131	142	131	140	142	134	138	0.9%
Culture/recreation	1,040	1,240	1,083	1,072	1,178	1,079	1,207	2.7%
Health and welfare	315	311	290	290	294	320	315	0.1%
Economic development	22	6	16	15	10	10	10	7.8%
Debt service	10	-	-	126	126	126	126	0.0%
	<u>\$ 5,646</u>	<u>\$ 5,791</u>	<u>\$ 7,027</u>	<u>\$ 6,324</u>	<u>\$ 6,896</u>	<u>\$ 6,702</u>	<u>\$ 6,851</u>	3.2%

General Fund Budgetary Highlights

Actual revenue sources in 2010 totaled 98 percent of the original 2010 budget. Revenue highlights are discussed above under 'General Fund'. Overall 2010 expenditures increased 2.6 percent over 2009. The City's unencumbered fund balance in the general fund at December 31, 2010 was \$9,259, equivalent to 0.12 percent of the 2010 general fund budgetary basis expenditures.

Capital Assets

At the end of 2010, the City had \$78 million invested, net of depreciation, in a broad range of capital assets used in both governmental and business-type activities, summarized below:

Table 3

City of Winfield, Kansas
Assets, Net of Depreciation
As of December 31, 2010
(with comparative totals for December 31, 2009)
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land	\$ 1,903	\$ 1,827	\$ 827	\$ 827	\$ 2,730	\$ 2,654
Infrastructure/ other improvements	16,004	16,191	31,976	31,181	47,980	47,372
Construction	39	39	-	232	39	271
Buildings and improvements	6,302	6,567	5,772	6,355	12,074	12,922
Equipment	3,450	3,427	11,664	12,317	15,114	15,744
Total	<u>27,698</u>	<u>28,051</u>	<u>50,239</u>	<u>50,912</u>	<u>77,937</u>	<u>78,963</u>

Government-wide capital assets, net of depreciation, decreased 1 percent during 2010, primarily because no sizable capital projects or asset purchases were made in 2010. In business-type activities, capital assets, net

of depreciation, also decreased 1 percent during 2010. Additional information regarding the City of Winfield's capital assets can be found in note 8, page A-47 of this report.

Long-term Debt

At the end of 2010, the City had total long-term debt of \$23.6 million, \$2.8 million due within the next year. Of the total debt, \$22.2 million is backed by the full faith and credit of the government, although the City's intent is to use water and sewer utility revenues to repay \$10.6 million of that \$22.2 million.

During 2010, the City issued \$8.535 million in general obligation bonds. The bonds refunded \$6.5 million of water utility KDHE loans, and \$1 million of governmental bonds and loans. The remaining \$895 thousand of bonds were for 2010 street improvement work (governmental activity). The City also borrowed \$354 thousand of KDHE debt, to finance completion of a new wastewater lift station. . Additional information on the city's long-term debt can be found in Note 11, pages A-48 through A-54 of this report.

Economic Factors and Next Year's Budgets

Measured by unemployment, the local economy fared better than the national economy through most of the recession. County unemployment rates as of December 31, 2010 and June 30, 2011 were 7.1% and 6.7%, respectively. Comparable national unemployment rates were 9.2% and 9.4%, and comparable Kansas state-wide unemployment rates were 6.4% and 6.7%. The City of Winfield and surrounding Cowley County were not insulated from significant job losses in the nationwide recession. While the county's various light manufacturing industries were affected negatively by the recession in 2009, the year 2010 and the first half of 2011 have shown a rebound. Using utility usage as an indicator, industry kwh has returned to about 95% of the 2008 pre-recession usage. The value of building permits in 2010 was \$8.3 million, a decrease from 2009's value of \$8.9 million, 381 permits were issued in 2010, compared to 309 permits issued in 2009.

The State of Kansas has eliminated demand transfers to cities, beginning in 2006. The State also passed legislation to eliminate property tax on new business machinery and equipment incrementally with the first impact on the 2008 budget. State statutes were put in place to restore or mitigate the monetary loss to local municipalities, but were not fulfilled. Current economic conditions of the State jeopardize any future restoration. They are currently delayed, by state statute, to years 2012/2013. Any future receipt of these revenues is contingent on appropriations by the State Legislature.

The City of Winfield continues to partner with other local governments and the private sector to maintain local economic efforts. The 2011 budget (revised internally at mid-year) reflects a 4% increase in budgeted expenditures over 2010 amounts, and 2011 revenues are anticipated to increase 6% over 2010 amounts.

Requests for Information

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

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CITY OF WINFIELD, KANSAS

STATEMENT OF NET ASSETS DECEMBER 31, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Pooled cash and investments	\$ 3,048,991	\$ 5,959,616	\$ 9,008,607	\$ 644,365
Receivables:				
Taxes	3,773,545	-	3,773,545	-
Special assessments	3,079,745	-	3,079,745	-
Accounts	54,670	3,728,971	3,783,641	171,477
Due from other governmental agencies	163,471	-	163,471	-
Due from component units	37,251	-	37,251	-
Inventories and prepaids	93,087	1,744,164	1,837,251	19,235
Deferred costs	229,824	110,148	339,972	-
Cash and investments, restricted	-	200,000	200,000	-
Capital assets, not being depreciated	1,942,378	827,527	2,769,905	52,776
Capital assets, net of accumulated depreciation	25,755,635	49,411,358	75,166,993	2,184,376
Other investments	-	11,957	11,957	-
Investment in joint venture	-	46,584	46,584	-
Total assets	<u>38,178,597</u>	<u>62,040,325</u>	<u>100,218,922</u>	<u>3,072,229</u>
Liabilities				
Accounts payable	386,820	1,781,890	2,168,710	122,529
Accrued interest payable	100,630	95,119	195,749	941
Unearned revenues	3,631,594	347	3,631,941	-
Long-term liabilities				
Due within one year	1,601,511	1,597,390	3,198,901	24,960
Due in more than one year	11,321,207	9,981,591	21,302,798	44,268
Due within one year to primary government	-	-	-	-
Due in more than one year to primary government	-	-	-	-
Total liabilities	<u>17,041,762</u>	<u>13,456,337</u>	<u>30,498,099</u>	<u>192,698</u>
Net Assets				
Invested in capital assets, net of related debt	15,221,844	39,238,338	54,460,182	2,202,150
Restricted for:				
Capital projects	268,354	-	268,354	76,020
Enabling legislation	826,186	-	826,186	-
Debt service	-	200,000	200,000	37,250
Cemtery Endowment - nonexpendable	6,000	-	6,000	-
Unrestricted net assets	<u>4,814,451</u>	<u>9,145,650</u>	<u>13,960,101</u>	<u>564,111</u>
Total net assets	<u>\$ 21,136,835</u>	<u>\$ 48,583,988</u>	<u>\$ 69,720,823</u>	<u>\$ 2,879,531</u>

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,378,157	\$ 334,846	\$ 48,080	\$ -
Public safety	4,486,349	223,217	6,749	12,836
Public works/stormwater	1,391,930	149,339	586,591	-
Cemetery	164,665	53,860	-	450
Culture and recreation	1,910,251	544,552	-	-
Health and welfare	333,945	189,856	-	-
Economic development	148,777	-	-	-
Debt interest costs	500,300	-	-	-
Total governmental activities	10,314,374	1,495,670	641,420	13,286
Business-type activities:				
Electric	21,107,926	21,669,444	-	759,157
Gas	4,433,654	5,455,036	-	6,749
Water	2,318,531	2,134,745	-	32,499
Refuse	1,200,127	1,401,131	-	-
Wastewater	1,865,241	1,809,506	-	-
Golf course	813,684	468,167	-	-
Total business-type activities	31,739,163	32,938,029	-	798,405
Total primary government	\$ 42,053,537	\$ 34,433,699	\$ 641,420	\$ 811,691
Component Units:				
Winfield Public Library	\$ 553,731	\$ 13,250	\$ 48,632	\$ -
Winfield Area EMS	1,068,149	708,288	12,224	-
Winfield Housing Authority	250,299	167,732	93,052	-
Total component units	1,872,179	889,270	153,908	-

General revenues:	
Property taxes	
Sales taxes	
Investment earnings	
Transient guest taxes	
Franchise taxes	
Alcohol beverage taxes	
Miscellaneous	
Payments from City of Winfield	
Transfers - In lieu of transfer payments from utilities	
Transfers	
Total general revenues and transfers	
Change in net assets	
Net assets - beginning	
Restatements	
Restated net assets - beginning	
Net assets - ending	

See accompanying notes to financial statements

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (995,231)	\$ -	\$ (995,231)	\$ -
(4,243,547)	-	(4,243,547)	-
(656,000)	-	(656,000)	-
(110,355)	-	(110,355)	-
(1,365,699)	-	(1,365,699)	-
(144,089)	-	(144,089)	-
(148,777)	-	(148,777)	-
(500,300)	-	(500,300)	-
<u>(8,163,998)</u>	<u>-</u>	<u>(8,163,998)</u>	<u>-</u>
-	1,320,675	1,320,675	-
-	1,028,131	1,028,131	-
-	(151,287)	(151,287)	-
-	201,004	201,004	-
-	(55,735)	(55,735)	-
-	(345,517)	(345,517)	-
-	<u>1,997,271</u>	<u>1,997,271</u>	<u>-</u>
<u>\$ (8,163,998)</u>	<u>\$ 1,997,271</u>	<u>\$ (6,166,727)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (447,643)
-	-	-	(282,925)
-	-	-	26,648
-	-	-	<u>(703,920)</u>
3,995,278	-	3,995,278	-
1,650,437	-	1,650,437	-
21,433	36,195	57,628	8,517
76,622	-	76,622	-
217,851	-	217,851	-
51,261	-	51,261	-
44,392	-	44,392	-
-	-	-	755,861
1,987,491	(1,987,491)	-	-
(29,652)	29,652	-	-
<u>8,015,113</u>	<u>(1,921,644)</u>	<u>6,093,469</u>	<u>764,378</u>
<u>(148,885)</u>	<u>75,627</u>	<u>(73,258)</u>	<u>60,458</u>
20,958,553	47,406,037	68,364,590	2,803,075
<u>327,167</u>	<u>1,102,324</u>	<u>1,429,491</u>	<u>15,998</u>
<u>21,285,720</u>	<u>48,508,361</u>	<u>69,794,081</u>	<u>2,819,073</u>
<u>\$ 21,136,835</u>	<u>\$ 48,583,988</u>	<u>\$ 69,720,823</u>	<u>\$ 2,879,531</u>

CITY OF WINFIELD, KANSAS

GOVERNMENTAL FUNDS BALANCE SHEET DECEMBER 31, 2010

	General Fund	Debt Service Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	\$ 156,116	\$ 131,214	\$ 247,352	\$ 1,515,123	\$ 2,049,805
Receivables:					
Taxes	2,600,915	602,512	-	570,118	3,773,545
Special assessments	71,550	3,008,195	-	-	3,079,745
Accounts	30,297	-	-	185	30,482
Due from other governmental agencies	-	-	-	80,279	80,279
Due from other funds	-	-	42,980	-	42,980
Advances to other funds	20,265	-	-	-	20,265
Total assets	2,879,143	3,741,921	290,332	2,165,705	9,077,101
Liabilities					
Accounts and wages payable	138,211	-	11,517	116,569	266,297
Due to other funds, deficit cash	-	-	-	61,896	61,896
Deferred revenue	2,485,816	3,610,707	-	614,816	6,711,339
Total liabilities	2,624,027	3,610,707	11,517	793,281	7,039,532
Fund Balances					
Reserved for:					
Encumbrances	8,646	-	8,682	44,070	61,398
Capital outlay	-	-	270,133	-	270,133
Advances to other funds	20,265	-	-	-	20,265
Unreserved:					
Designated for subsequent year expenditures	226,205	131,214	-	-	357,419
Designated for subsequent year expenditures, reported in special revenue funds	-	-	-	1,223,083	1,223,083
Undesignated, reported in special revenue funds	-	-	-	142,251	142,251
Undesignated, reported in capital projects funds	-	-	-	(42,980)	(42,980)
Undesignated, reported in Permanent fund	-	-	-	6,000	6,000
Total fund balances	255,116	131,214	278,815	1,372,424	2,037,569
Total liabilities and fund balances	\$ 2,879,143	\$ 3,741,921	\$ 290,332	\$ 2,165,705	\$ 9,077,101

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Total fund balances - Total governmental funds \$ 2,037,569

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

CAPITAL ASSETS

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

Land and construction in progress	\$ 1,942,378	
Buildings, net of \$3,902,348 accumulated depreciation	5,776,277	
Improvements other than buildings, net of \$4,704,708 accumulated depreciation	16,518,028	
Machinery and equipment, net of \$5,523,784 accumulated depreciation	<u>3,461,329</u>	
Total capital assets		27,698,012

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.

182,878

BOND ISSUANCE COSTS

Issuance costs associated with new debt issued by the City in 2003-2010 were reported as expenditures in the governmental fund when the debt was issued, whereas bond issuance costs are deferred in the statement of net assets. Deferred bond issuance costs are amortized, over the life of the debt issued, as an adjustment to interest expense in the statement of activities.

129,091

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.

100,733

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.

(22,085)

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, 2010 are:

Deferred special assessments	3,079,745	
Contractual receivables from component units	37,251	
Contractual receivables from other governmental agencies	<u>83,192</u>	
Total long-term receivables		3,200,188

INTERNAL SERVICE FUNDS

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

811,712

LIABILITIES

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

Balances at December 31, 2010 are:

Accrued interest payable	(100,630)	
Compensated absences	(375,028)	
Payable to other governmental agencies	(71,521)	
General obligation bonds and KDOT loans payable	(11,623,236)	
Capital leases payable	<u>(830,848)</u>	
Total liabilities not reflected in governmental funds balance sheet		<u>(13,001,263)</u>

Total net assets of governmental activities \$ 21,136,835

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, 2010

	General Fund	Debt Service Fund	Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$2,642,858	\$ 698,802	\$ -	\$ 653,617	\$ 3,995,277
Sales taxes	1,650,437	-	-	-	1,650,437
Special assessments	-	206,224	-	-	206,224
Franchise taxes	217,851	-	-	-	217,851
Intergovernmental revenue	438,938	31,437	-	739,469	1,209,844
Licenses and permits	49,586	-	-	-	49,586
Fines and penalties	132,875	-	-	-	132,875
Interest income	4,074	2,973	1,824	7,642	16,513
Use of property	101,197	-	-	-	101,197
Charges for services and sales	610,827	-	-	35,179	646,006
Other	32,088	-	3	33,150	65,241
Total revenues	<u>5,880,731</u>	<u>939,436</u>	<u>1,827</u>	<u>1,469,057</u>	<u>8,291,051</u>
Expenditures					
Current operations:					
General government	782,574	6,024	-	264,208	1,052,806
Public safety	4,272,599	-	-	89,865	4,362,464
Public works	-	-	-	1,008,716	1,008,716
Cemetery	137,736	-	-	26,025	163,761
Culture and recreation	1,207,667	-	-	570,432	1,778,099
Health and welfare	315,077	-	-	18,868	333,945
Economic development	10,000	-	-	138,777	148,777
Capital outlay	-	-	362,291	-	362,291
Debt service:					
Debt principal payments	91,949	1,175,636	27,234	33,740	1,328,559
Debt interest payments	33,769	440,034	3,303	5,431	482,537
Total expenditures	<u>6,851,371</u>	<u>1,621,694</u>	<u>392,828</u>	<u>2,156,062</u>	<u>11,021,955</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(970,640)</u>	<u>(682,258)</u>	<u>(391,001)</u>	<u>(687,005)</u>	<u>(2,730,904)</u>
Other financing sources (uses):					
Transfers in	75,000	697,826	857,136	456,256	2,086,218
Transfers in - Pymts In lieu of franchise fees	1,987,491	-	-	-	1,987,491
Transfers out	(1,198,270)	(100,000)	(634,440)	(168,944)	(2,101,654)
Proceeds from sale of equipment	-	-	-	2,600	2,600
KDOT loan proceeds	-	-	-	630,970	630,970
Payment of refunded bonds to escrow agent	-	(500,436)	-	(643,811)	(1,144,247)
Debt issuance costs	-	(7,028)	-	(11,770)	(18,798)
General obligation refunding bond proceeds	-	503,246	-	895,000	1,398,246
General obligation refunding bond premium	-	4,018	-	14,880	18,898
Total other financing sources (uses)	<u>864,221</u>	<u>597,626</u>	<u>222,696</u>	<u>1,175,181</u>	<u>2,859,724</u>
Net change in fund balances	(106,419)	(84,632)	(168,305)	488,176	128,820
Fund balances, beginning of year	<u>361,535</u>	<u>215,846</u>	<u>447,120</u>	<u>884,248</u>	<u>1,908,749</u>
Fund balances, end of year	<u>\$ 255,116</u>	<u>\$ 131,214</u>	<u>\$ 278,815</u>	<u>\$ 1,372,424</u>	<u>\$ 2,037,569</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, 2010

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

Net change in fund balances - total governmental funds \$ 128,820

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	686,633	
Depreciation	(920,909)	
Net gain on retirement/sale of governmental capital assets	<u>(2,957)</u>	
Net capital asset transactions		(237,233)

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

Revenues

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

Long-term receivables		(31,437)
Special assessments receivables		(206,224)

Long-term debt

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

General obligation and sales tax bond principal payments		1,100,000
Capital lease and payments		152,923
KDOT TRF loan principal payments		75,636
Long term contractual payments		32,474
General obligation refunding bond proceeds		(1,398,246)
General obligation refunding bond premium		(18,898)
Payment of refunded bonds to escrow agent		1,144,247
KDOT TRF loan proceeds		(630,970)

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		9,444
Net OPEB obligation		(32,313)
Interest payable		21,553
Amortization of debt issuance costs		10,525
Deferred revenues		23,506

Stormwater drainage fund reclassified as governmental-type activity

The stormwater drainage fund is included as a proprietary fund in the Proprietary Funds' Statement of Net Assets, and Statement of Revenues, Expenses and Changes in Fund Net Assets. It is reclassified as a governmental-type fund for the government-wide Statement of Net Assets and Statement of Activities, defined as a 'public works/stormwater' function. (20,587)

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 (272,105)

Change in net assets of governmental activities \$ (148,885)

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, 2010
(Original and Final Budget)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
Revenues and other sources:			
Taxes:			
Property	\$ 2,708,044	\$ 2,642,859	\$ (65,185)
Sales	1,720,000	1,653,210	(66,790)
Franchise	235,000	197,062	(37,938)
Licenses and permits	51,050	49,586	(1,464)
Intergovernmental	402,213	411,160	8,947
Rentals, charges for services and sales	672,050	704,859	32,809
Fines and penalties	187,000	132,875	(54,125)
Interest earnings	15,000	4,074	(10,926)
Miscellaneous	46,500	64,815	18,315
Payments in lieu of taxes - utilities	1,997,500	1,987,491	(10,009)
Transfers from other funds	75,000	75,000	-
Total revenues and other sources	<u>8,109,357</u>	<u>7,922,991</u>	<u>(186,366)</u>
Expenditures and other uses:			
General government:			
Legal	60,087	61,130	(1,043)
Administrative	949,027	906,091	42,936
Cemetery maintenance	150,710	137,736	12,974
Public safety:			
Police department	2,337,617	2,264,172	73,445
Fire department	1,833,432	1,789,744	43,688
Building inspection	298,777	288,303	10,474
Parking	38,129	23,670	14,459
Culture and recreation:			
City lake	262,989	260,493	2,496
Park maintenance	722,592	726,444	(3,852)
Baden Square	172,715	187,407	(14,692)
Aquatic facility	178,968	184,050	(5,082)
Transfers to other funds	1,223,100	1,198,270	24,830
Total expenditures and other uses	<u>8,228,143</u>	<u>8,027,510</u>	<u>200,633</u>
Revenues and other sources over (under) expenditures and other uses	(118,786)	(104,519)	14,267
Unencumbered fund balance, Jan 1	<u>118,786</u>	<u>113,778</u>	<u>(5,008)</u>
Unencumbered fund balance, Dec 31	<u>\$ -</u>	<u>\$ 9,259</u>	<u>\$ 9,259</u>

See accompanying notes to financial statements

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS STATEMENT OF NET ASSETS December 31, 2010

Assets	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Current assets			
Pooled cash and investments	\$ 1,792,962	\$ 1,932,121	\$ 779,394
Utility billing receivables, net	1,962,402	-	1,115,919
Accounts receivable, net	21,768	-	1,015
Due from other governments	-	-	-
Due from other funds	157,691	-	-
Inventories	1,096,935	-	297,237
Total current assets	5,031,758	1,932,121	2,193,565
Noncurrent assets			
Restricted assets - cash and investments	-	-	-
Capital assets			
Land	382,366	-	6,303
Buildings and improvements	3,410,979	-	935
Improvements other than buildings	26,442,774	-	7,155,794
Machinery, equipment, other	18,781,088	-	1,026,730
Less accumulated depreciation	(27,664,409)	-	(3,645,180)
Net capital assets	21,352,798	-	4,544,582
Other assets			
Advances to other funds	81,518	-	6,645
Advance to agency fund (sales tax)	56,292	-	-
Investment in joint venture	-	-	-
Other investments	11,957	-	-
Unamortized loss on refunding	-	-	-
Unamortized issuance costs	410	-	-
Total other assets	150,177	-	6,645
Total noncurrent assets	21,502,975	-	4,551,227
Total Assets	26,534,733	1,932,121	6,744,792

See accompanying notes to financial statements

Enterprise Funds					
Water Utility Fund	Wastewater Utility Fund	Quail Ridge Golf Course Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ -	\$ -	\$ 10,374	\$ 852,686	\$ 5,367,537	\$ 1,591,265
236,165	186,566	-	140,737	3,641,789	67,066
3,531	340	-	-	26,654	17,652
-	-	-	-	-	107,323
-	-	-	-	157,691	-
92,682	29,884	40,216	-	1,556,954	116,682
<u>332,378</u>	<u>216,790</u>	<u>50,590</u>	<u>993,423</u>	<u>10,750,625</u>	<u>1,899,988</u>
-	-	200,000	-	200,000	-
8,801	23,355	399,949	3,503	824,277	6,500
1,502,646	5,834,248	514,636	60,157	11,323,601	1,978,735
9,910,838	11,382,023	2,532,118	4,791,897	62,215,444	101,836
5,382,912	2,319,130	395,173	1,209,976	29,115,009	1,716,351
(5,667,803)	(8,748,356)	(2,609,700)	(1,506,701)	(49,842,149)	(2,056,548)
<u>11,137,394</u>	<u>10,810,400</u>	<u>1,232,176</u>	<u>4,558,832</u>	<u>53,636,182</u>	<u>1,746,874</u>
2,969	4,912	-	7,620	103,664	-
-	-	-	-	56,292	-
-	-	-	46,584	46,584	-
-	-	-	-	11,957	-
-	-	4,494	-	4,494	-
103,820	-	1,424	6,981	112,635	-
<u>106,789</u>	<u>4,912</u>	<u>5,918</u>	<u>61,185</u>	<u>335,626</u>	<u>-</u>
<u>11,244,183</u>	<u>10,815,312</u>	<u>1,438,094</u>	<u>4,620,017</u>	<u>54,171,808</u>	<u>1,746,874</u>
<u>11,576,561</u>	<u>11,032,102</u>	<u>1,488,684</u>	<u>5,613,440</u>	<u>64,922,433</u>	<u>3,646,862</u>

(Continued)

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS STATEMENT OF NET ASSETS DECEMBER 31, 2010

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Liabilities			
Current liabilities			
Accounts payable	\$ 1,062,432	\$ -	\$ 521,063
Accrued interest payable	933	-	-
Due to other funds	-	-	-
Current portion of compensated absences payable	80,101	-	29,245
Payable from restricted assets	-	-	-
Current portion of long-term debt	93,315	-	-
Total current liabilities	1,236,781	-	550,308
Noncurrent liabilities			
State of Kansas KDHE/KDOT loans payable	-	-	-
General obligation bonds	-	-	-
Capital leases/certificates payable	-	-	-
Deferred gain on refunding bonds	347	-	-
Deferred premium on refunding bonds	-	-	-
Accrued compensated absences	20,278	-	21,778
Net OPEB obligation	31,517	-	11,519
Advances from other funds	-	-	-
Total noncurrent liabilities	52,142	-	33,297
Total liabilities	1,288,923	-	583,605
Net Assets			
Invested in capital assets	-	-	4,544,582
Invested in capital assets, net of related debt	21,259,547	-	-
Restricted by debt covenants	-	-	-
Unrestricted (deficit)	3,986,263	1,932,121	1,616,605
Total net assets	\$ 25,245,810	\$ 1,932,121	\$ 6,161,187
Total liabilities and net assets	\$ 26,534,733	\$ 1,932,121	\$ 6,744,792

See accompanying notes to financial statements

Enterprise Funds					
Water Utility Fund	Wastewater Utility Fund	Quail Ridge Golf Course Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 28,064	\$ 27,732	\$ 19,344	\$ 74,809	\$ 1,733,444	\$ 168,969
46,644	42,787	3,517	4,103	97,984	356
111,202	27,573	-	-	138,775	-
33,263	17,516	8,402	18,167	186,694	105,742
-	-	200,000	-	200,000	-
421,323	438,287	151,685	123,491	1,228,101	16,677
<u>640,496</u>	<u>553,895</u>	<u>382,948</u>	<u>220,570</u>	<u>3,584,998</u>	<u>291,744</u>
-	3,498,988	-	-	3,498,988	-
6,196,894	-	-	436,041	6,632,935	-
-	-	-	-	-	17,307
-	-	-	-	347	-
51,870	-	-	3,952	55,822	-
26,001	-	-	11,399	79,456	107,955
12,260	9,307	4,175	7,699	76,477	38,314
-	-	-	-	-	123,931
<u>6,287,025</u>	<u>3,508,295</u>	<u>4,175</u>	<u>459,091</u>	<u>10,344,025</u>	<u>287,507</u>
6,927,521	4,062,190	387,123	679,661	13,929,023	579,251
-	-	-	-	4,544,582	1,232,770
4,571,127	6,873,125	886,409	3,995,348	37,585,556	480,121
-	-	200,000	-	200,000	-
77,913	96,787	15,152	938,431	8,663,272	1,354,720
<u>\$ 4,649,040</u>	<u>\$ 6,969,912</u>	<u>\$ 1,101,561</u>	<u>\$ 4,933,779</u>	<u>\$ 50,993,410</u>	<u>\$ 3,067,611</u>
<u>\$ 11,576,561</u>	<u>\$ 11,032,102</u>	<u>\$ 1,488,684</u>	<u>\$ 5,613,440</u>	<u>\$ 64,922,433</u>	<u>\$ 3,646,862</u>

Total net assets \$ 50,993,410

Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities 1,525,638

Reclassification of stormwater drainage fund net assets to governmental activities net assets (3,935,060)

Net assets of business-type activities \$ 48,583,988

(Concluded)

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2010

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Operating revenues			
Charges for services and sales	\$ 20,846,791	\$ -	\$ 5,437,727
Other	822,654	-	17,309
Total operating revenues	<u>21,669,445</u>	<u>-</u>	<u>5,455,036</u>
Operating expenses			
Services and supplies	19,531,693	-	4,298,666
Depreciation	1,323,618	-	134,988
Total operating expenses	<u>20,855,311</u>	<u>-</u>	<u>4,433,654</u>
Operating income (loss)	<u>814,134</u>	<u>-</u>	<u>1,021,382</u>
Non-operating revenues (expenses)			
Investment income	9,833	6,598	7,353
Loss on joint venture	-	-	-
Amortization of debt issuance costs	(1,639)	-	-
Interest expense	(4,541)	-	-
Insurance recoveries	-	735,698	-
Other	1,389	-	-
Total non-operating revenues (expenses)	<u>5,042</u>	<u>742,296</u>	<u>7,353</u>
Income (loss) before contributions and transfers	<u>819,176</u>	<u>742,296</u>	<u>1,028,735</u>
Capital contributions and transfers:			
Capital contributions	23,459	-	6,749
Transfers- payments in lieu of franchise fees	(1,432,167)	-	(374,121)
Transfers in - cash	-	516,000	-
Transfers out - cash	(631,000)	-	(596,220)
Transfers in - capital assets	1,067,582	-	-
Transfers out - capital assets	(11,568)	(1,067,582)	-
Change in net assets	<u>(164,518)</u>	<u>190,714</u>	<u>65,143</u>
Total net assets - beginning	24,892,218	1,741,407	5,586,214
Restatements	518,110	-	509,830
Restated total net assets - beginning	<u>25,410,328</u>	<u>1,741,407</u>	<u>6,096,044</u>
Total net assets - ending	<u>\$ 25,245,810</u>	<u>\$ 1,932,121</u>	<u>\$ 6,161,187</u>

See accompanying notes to financial statements

Enterprise Funds

Water Utility Fund	Wastewater Utility Fund	Quail Ridge Golf Course Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 2,103,205	\$ 1,805,558	\$ 465,964	\$ 1,528,393	\$ 32,187,638	\$ 2,881,695
31,540	3,948	2,203	22,077	899,731	1,753,325
<u>2,134,745</u>	<u>1,809,506</u>	<u>468,167</u>	<u>1,550,470</u>	<u>33,087,369</u>	<u>4,635,020</u>
1,624,930	1,095,231	614,711	1,212,289	28,377,520	4,956,913
457,179	621,916	154,484	127,040	2,819,225	175,166
<u>2,082,109</u>	<u>1,717,147</u>	<u>769,195</u>	<u>1,339,329</u>	<u>31,196,745</u>	<u>5,132,079</u>
<u>52,636</u>	<u>92,359</u>	<u>(301,028)</u>	<u>211,141</u>	<u>1,890,624</u>	<u>(497,059)</u>
5,616	13	-	4,544	33,957	7,158
-	-	-	(687)	(687)	-
(1,927)	-	(5,694)	(144)	(9,404)	-
(235,465)	(127,221)	(19,920)	(21,888)	(409,035)	(1,761)
-	-	-	-	735,698	-
970	(20,873)	(18,875)	10,654	(26,735)	775
<u>(230,806)</u>	<u>(148,081)</u>	<u>(44,489)</u>	<u>(7,521)</u>	<u>323,794</u>	<u>6,172</u>
<u>(178,170)</u>	<u>(55,722)</u>	<u>(345,517)</u>	<u>203,620</u>	<u>2,214,418</u>	<u>(490,887)</u>
32,499	-	-	-	62,707	-
(115,989)	-	-	(65,214)	(1,987,491)	-
300,000	100,000	490,220	-	1,406,220	-
(43,564)	-	-	(120,000)	(1,390,784)	-
-	-	-	-	1,067,582	11,568
-	-	-	-	(1,079,150)	-
<u>(5,224)</u>	<u>44,278</u>	<u>144,703</u>	<u>18,406</u>	<u>293,502</u>	<u>(479,319)</u>
4,552,538	7,069,013	942,410	4,886,069	49,669,869	3,402,360
101,726	(143,379)	14,448	29,304	1,030,039	144,570
<u>4,654,264</u>	<u>6,925,634</u>	<u>956,858</u>	<u>4,915,373</u>	<u>50,699,908</u>	<u>3,546,930</u>
<u>\$ 4,649,040</u>	<u>\$ 6,969,912</u>	<u>\$ 1,101,561</u>	<u>\$ 4,933,779</u>	<u>\$ 50,993,410</u>	<u>\$ 3,067,611</u>

Increase in net assets, per fund statements	\$ 293,502
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	(238,462)
Reclassification of stormwater drainage fund activities to governmental activities	20,587
Change In net assets of business-type activities	<u>\$ 75,627</u>

CITY OF WINFIELD, KANSAS

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2010

	Enterprise Funds		
	Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund
Cash flows from operating activities			
Payments to suppliers	\$ (17,761,357)	\$ -	\$ (3,794,528)
Payments to employees	(1,872,576)	-	(672,907)
Payments of claims	-	-	-
Internal activity-receipts from other funds	-	-	-
Receipts from customers	20,834,503	-	5,526,028
Other receipts (expenses)	831,807	-	23,220
Net cash provided by operating activities	<u>2,032,377</u>	<u>-</u>	<u>1,081,813</u>
Cash flows from noncapital financing activities			
Advances from (to) other funds	-	-	-
Internal activity-payments in lieu of franchise fees	(1,432,167)	-	(374,121)
Due from (to) other funds	-	-	-
Transfers (to) from other funds for debt payments	-	-	-
Transfers (to) from other funds for capital acquisition	(516,000)	516,000	-
Operating subsidies and transfers from (to) other funds	(115,000)	-	(596,220)
Net cash used by noncapital financing activities	<u>(2,063,167)</u>	<u>516,000</u>	<u>(970,341)</u>
Cash flows from capital and related financing activities			
Debt payments - principal	-	-	-
Debt payments - interest	-	-	-
Capital lease and cert of part payments - principal	(89,832)	-	-
Capital lease and cert of part payments - interest	(5,350)	-	-
Capital contributions	23,459	-	6,749
GO Bond refunding of KDHE loans	-	-	-
Proceeds from KDHE loan	-	-	-
Proceeds from insurance recoveries	-	735,698	-
Proceeds from sale of capital assets	-	-	-
Acquisition of capital assets	(389,896)	(1,085,670)	(162,176)
Net cash used by capital and related financing activities	<u>(461,619)</u>	<u>(349,972)</u>	<u>(155,427)</u>
Cash flows from investing activities			
Investment income	9,833	6,599	7,353
Net cash provided from investing activities	<u>9,833</u>	<u>6,599</u>	<u>7,353</u>
Net increase (decrease) in cash and cash equivalents	(482,576)	172,627	(36,602)
Balances - beginning of the year (includes \$200,000 in restricted accounts)	<u>2,275,538</u>	<u>1,759,494</u>	<u>815,996</u>
Balances - end of the year (includes \$200,000 in restricted accounts)	<u>\$ 1,792,962</u>	<u>\$ 1,932,121</u>	<u>\$ 779,394</u>

Enterprise Funds

Water Utility Fund	Wastewater Utility Fund	Quail Ridge Golf Course Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ (876,417)	\$ (528,833)	\$ (285,155)	\$ (655,196)	\$ (23,901,486)	\$ (2,740,037)
(746,908)	(563,586)	(314,851)	(516,170)	(4,686,998)	(1,703,130)
-	-	-	-	-	(380,863)
-	-	-	-	-	4,249,893
2,082,311	1,781,138	472,286	1,527,050	32,223,316	23,132
89,907	4,064	-	30,428	979,426	395,052
<u>548,893</u>	<u>692,783</u>	<u>(127,720)</u>	<u>386,112</u>	<u>4,614,258</u>	<u>(155,953)</u>
-	-	-	-	-	(23,132)
(115,989)	-	-	-	(1,922,277)	-
(15,101)	(183,645)	-	(65,214)	(263,960)	-
-	100,000	-	(120,000)	(20,000)	-
-	-	-	-	-	-
256,436	-	489,900	-	35,116	-
<u>125,346</u>	<u>(83,645)</u>	<u>489,900</u>	<u>(185,214)</u>	<u>(2,171,121)</u>	<u>(23,132)</u>
(342,079)	(434,140)	-	(114,819)	(891,038)	-
(263,297)	(132,094)	-	(25,542)	(420,933)	-
-	-	(325,168)	-	(415,000)	(16,020)
-	-	(19,599)	-	(24,949)	(1,943)
32,499	-	-	-	62,707	-
(80,600)	-	-	-	(80,600)	-
-	354,102	-	10,654	364,756	-
-	-	-	-	735,698	-
-	6,900	-	-	6,900	1,975
<u>(26,378)</u>	<u>(403,919)</u>	<u>(23,133)</u>	<u>(40,977)</u>	<u>(2,132,149)</u>	<u>(67,533)</u>
<u>(679,855)</u>	<u>(609,151)</u>	<u>(367,900)</u>	<u>(170,684)</u>	<u>(2,794,608)</u>	<u>(83,521)</u>
5,616	13	-	4,544	33,958	7,157
<u>5,616</u>	<u>13</u>	<u>-</u>	<u>4,544</u>	<u>33,958</u>	<u>7,157</u>
-	-	(5,720)	34,758	(317,513)	(255,449)
-	-	216,094	817,928	5,885,050	1,846,714
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,374</u>	<u>\$ 852,686</u>	<u>\$ 5,567,537</u>	<u>\$ 1,591,265</u>

(Continued)

CITY OF WINFIELD, KANSAS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

Enterprise Funds			
Electric Utility Fund	Electric Depreciation Reserve Fund	Gas Utility Fund	Water Utility Fund

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

Operating income (loss)	\$ 814,134	\$ -	\$ 1,021,382	\$ 52,636
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,323,618	-	134,988	457,179
Changes in assets and liabilities:				
Receivables, net	(3,135)	-	94,213	37,473
Inventories/ prepaids	(31,120)	-	35,217	(4,724)
Compensated absences	(39,435)	-	(3,724)	(2,022)
Net OPEB obligations	14,340	-	5,270	6,327
Accounts and other payables	(46,025)	-	(205,533)	2,024
Total adjustments	1,218,243	-	60,431	496,257
Net cash provided (used) by operating activities	\$ 2,032,377	\$ -	\$ 1,081,813	\$ 548,893

Noncash Transactions

Assets contributed from other funds	1,067,582	-	-	-
Assets contributed to other funds	(11,568)	(1,067,582)	-	-
Loss on joint venture	-	-	-	-
Amortization of premium on bond issuance	-	-	-	970
Amortization of deferred (loss) gain on debt defeasance	1,389	-	-	-
Amortization of debt issue costs	(1,639)	-	-	(1,927)

See accompanying notes to financial statements

Enterprise Funds				
Wastewater Utility Fund	Quail Ridge Golf Course Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 92,359	\$ (301,028)	\$ 211,141	\$ 1,890,624	\$ (497,059)
621,916	154,484	127,040	2,819,225	175,166
(24,306)	4,119	7,006	115,370	33,056
16	14,551	-	13,940	11,613
1,250	2,101	778	(41,052)	24,199
4,593	2,147	3,586	36,263	18,016
(3,045)	(4,094)	36,561	(220,112)	79,056
600,424	173,308	174,971	2,723,634	341,106
<u>\$ 692,783</u>	<u>\$ (127,720)</u>	<u>\$ 386,112</u>	<u>\$ 4,614,258</u>	<u>\$ (155,953)</u>
-	-	-	1,067,582	-
-	-	-	(1,079,150)	-
-	-	(687)	(687)	-
-	-	-	970	-
-	(17,973)	(188)	(16,772)	-
-	(5,694)	-	(9,260)	-

(Concluded)

CITY OF WINFIELD

FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET ASSETS DECEMBER 31, 2010

	<u>Agency Funds</u>
Assets	
Pooled cash and investments	\$ 70,137
Other receivables	<u>42,346</u>
Total assets	<u>112,483</u>
Liabilities	
Advance from electric fund	56,293
Accounts payable	<u>56,190</u>
Total liabilities	<u>112,483</u>
Net Assets	<u><u>\$ -</u></u>

See accompanying notes to financial statements

CITY OF WINFIELD KANSAS

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CITY OF WINFIELD KANSAS

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CITY OF WINFIELD, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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 two 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. WAMES is not a separate taxing entity under State statutes. The City distributes county tax levies to the WAEMS, and also contributes to total WAEMS revenues.

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 has delegated to the Housing Authority the power to operate and manage the low-rent housing projects of the City. 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 debt, and to sue and be sued. The City appoints all Housing Authority board members. 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, 2010. The financial statements of the Winfield Housing Authority for this period were reviewed, and not audited.

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

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

Winfield Public Library
605 College
Winfield, KS 67156

Winfield Housing Authority
1417 Pine Terrace
Winfield, KS 67156

2) Joint Ventures

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

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

Arkansas City/Winfield Recycling Center – The Cities of Winfield and Arkansas City, Kansas entered into an interlocal agreement to jointly purchase and operate a recycling center. Records are maintained by the City of Winfield; both cities share equally in the costs and recycling revenues. No financial statements are prepared for this joint venture. Further financial information can be obtained through the City of Winfield, 200 E. 9th Ave, Winfield, KS 67156. Below is a summary of 2010 revenues and expenses for the recycling center.

Recycling revenues	\$	61,517
Recycling expenses		101,106
Depreciation expense		1,375

3) Related Organizations

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both

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

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

The following major governmental funds are reported:

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

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

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

The City reports the following major proprietary funds:

The Electric Utility fund accounts for the operation and maintenance of the City's electric generation and distributions system. The City purchases electricity, and maintains a 65 KW generation capacity. Electric service is provided to more than 8,200 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 5,500 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 5,300 meters. The City also provides water to five rural water districts and two neighboring towns.

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

The Quail Ridge Golf Course fund accounts for the operation and maintenance of the City-owned 18-hole golf course. The course was constructed in 1991. Approximately 19,300 rounds were played on the course in 2010.

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.

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

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

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

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

D. Pooled Cash and Temporary Investments

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

E. Property Taxes and Other Receivables

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

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

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

F. Revenue Recognition for Proprietary Funds

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

G. Special assessments receivable

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

H. Inventories, Advances, and Prepaid Expenses

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

I. Restricted Assets

The City has outstanding certificates of participation debt in the golf course fund. In conjunction with this debt, an outside trustee holds cash and investments on behalf of the City in restricted accounts, to be used only for payment of principal and interest.

J. 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 2010, 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

K. 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).

L. Compensated Absences

- 1) **Vacation** - All permanent full-time employees of the City are eligible for vacation benefits. Employees with less than 10 years employment service for the City have vacation days accumulated at the rate of 1 day for each month of employment, with a maximum of eighteen days. If employed 10 years or more, the rate is 1.5 days per month, with a maximum of 24 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 1 day per month, regardless of the length of employment, with the accumulated carryover not to exceed 90 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 90 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 90 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 90 days sick leave accrual is eligible for the annual sick leave bonus program. For each pay period that an employee begins and ends with 90 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.

The liability for compensated absences of governmental activities is liquidated through governmental funds that have expenditures for personnel, - the General and Special Streets and Highway funds.

M. 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).

N. 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.

O. Pending Governmental Accounting Standards Board Statements Affecting Financial Statements

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", was issued March 2009. This statement addresses fund balance classifications and governmental type definitions. The provisions of this statement will apply to the financial statements of the City beginning with fiscal year 2011.

GASB Statement No. 59, "Financial Instruments Omnibus", was issued June 2010. This statement addresses reporting and disclosure requirements of certain financial instruments and external investment pools. The provisions of this statement will apply to the financial statements of the city beginning with fiscal year 2011.

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

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

2. Budgetary Control

Applicable Kansas Statutes require that annual budgets be legally adopted for all funds (including proprietary funds) unless exempted by a specific statute. Funds exempted from legally adopted budgets include all capital project funds (including capital projects of proprietary funds); two special revenue funds: the grants and contributions 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 on three funds in 2010.

3. Budget/GAAP Reconciliation

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	\$ (106,419)
Accrued revenue:	
December 31, 2010	(216,946)
December 31, 2009	222,910
Encumbrances:	
December 31, 2010	(8,646)
December 31, 2009	4,582
Advances to other funds	
December 31, 2010	(20,265)
December 31, 2009	<u>20,265</u>
Budgetary basis	<u>\$ (104,519)</u>

4. Fund Balance Deficits

At December 31, 2010, fund balance deficits were as follows:

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

The Country Club Villa Improvements fund was created in 2008, and the City has authority to issue bonds on this project. At December 31, 2010, this project is in a holding status.

5. Compliance with Kansas Statutes

A. City of Winfield management is aware of no instances of noncompliance with Kansas statutes in the primary government during the year ended December 31, 2010.

B. Component Unit – K.S.A. 75-1122 requires a financial statement audit of all municipalities with more than \$275,000 in gross receipts during a fiscal year. Winfield Housing Authority had gross receipts in excess of this amount in the July 1, 2009-June 30, 2010 year, and did not have a audit of their financial statements, as required under Kansas statutes.

6. Pooled Cash Deposits and Investments

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

	Cash Held by Primary Government	Component Units	Total
Cash on hand	\$ 3,368	\$ -	\$ 3,368
Bank deposits	4,986,627	681,026	5,667,653
Deposits held by third-party trustees, restricted	200,000	-	200,000
Overnight repurchase agreement	4,088,752	-	4,088,752
Total	<u>\$ 9,278,747</u>	<u>\$ 681,026</u>	<u>\$ 9,959,773</u>
Reconciliation to Statement of Net Assets:			
General fund			\$ 156,116
Capital project funds			32,519
Capital improvements fund			247,352
Special revenue funds			1,476,604
Debt service fund			131,214
Permanent fund			6,000
Enterprise funds			5,367,537
Internal service funds			<u>1,591,265</u>
Total pooled cash and investments			9,008,607
Enterprise funds - restricted			<u>200,000</u>
Total primary government			9,208,607
Fiduciary funds			70,140
Component units			644,365
Fiduciary funds of component units			<u>36,661</u>
Grand Total			<u>\$ 9,959,773</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, 2010, the City's deposits were insured by federal depository insurance and uninsured deposits were fully collateralized in accordance with the City's policy.

Collateral

Below is a comparison of the City's deposits balances to banks' collateral amounts at December 31, 2010:

Market value of securities, held as collateral by banks' third party trustees	\$ 7,427,066
FDIC coverage	<u>1,000,000</u>
Total coverage	8,427,066
Total City cash deposits, per bank	<u>5,028,869</u>
Excess coverage, December 31, 2010	<u>\$ 3,398,197</u>

Below is a comparison of the City's repurchase agreement balance to the bank's collateral amounts at December 31, 2010:

Market value of securities, underlying the repurchase agreement	\$ 4,386,299
Repurchase agreement balance	<u>4,088,752</u>
Excess coverage, December 31, 2010	<u><u>\$ 297,547</u></u>

Investments

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

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

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

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

Credit Risk and Concentration of Credit Risk

The City's investment option types are very limited, which inherently reduces credit risk. State statutes do not address concentration of credit risk. The City invests monies based on highest interest rate bids from local banking institutions. Below is a summary of the City's investments at December 31, 2010:

Investment Type	Amount	Percentage
Repurchase agreements	\$ 4,088,752	44%
Collateralized time deposits	5,000,000	54%
Restricted - US Government Securities	<u>200,000</u>	<u>2%</u>
	<u><u>\$ 9,288,752</u></u>	<u><u>100%</u></u>

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, 2010, the City's investments portfolio had the following investments and maturities:

Investment Type	Total	6 months or less	6 to 12 months
Cash and Time deposits	\$ 5,000,000	\$ 3,000,000	\$ 2,000,000
Restricted - US Government Securities	200,000	-	200,000
Repurchase agreements	<u>4,088,752</u>	<u>4,088,752</u>	<u>-</u>
	<u><u>\$ 9,288,752</u></u>	<u><u>\$ 7,088,752</u></u>	<u><u>\$ 2,200,000</u></u>

7. Receivables

A. Utility Receivables

The City operates six utilities. Prior to 2008, the utility receivables were "sold", for the estimated net amount collectible, to a consolidated Accounts Receivable Financing Fund. Beginning in 2008, a new utility billing software system allows the City to track utility receivable activity for each individual utility fund. Below is a summary of the utility receivables at December 31, 2010:

	Utility Receivables	Less provision for uncollectible accounts	Net Utility Receivables
Electric utility	\$ 2,091,477	\$ (129,075)	\$ 1,962,402
Gas utility	1,159,458	(43,539)	1,115,919
Water utility	250,196	(14,031)	236,165
Refuse utility	135,184	(9,810)	125,374
Wastewater utility	199,195	(12,629)	186,566
Stormwater utility	<u>16,493</u>	<u>(1,130)</u>	<u>15,363</u>
Receivables reflected in utility funds	3,852,003	(210,214)	3,641,789
Plus Accounts receivable financing fund	<u>375,976</u>	<u>(316,216)</u>	<u>59,760</u>
Total utility receivables, net of provision for uncollectible accounts	<u>\$ 4,227,979</u>	<u>\$ (526,430)</u>	<u>\$ 3,701,549</u>

The total bad debt expense on utility receivables for the fiscal year 2010 amounted to \$45,461, and is allocated to the utility funds in proportion to their utility receivable balances.

B. Long-term Receivables

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

Below is a summary of the receivables as of December 31, 2010:

	Total Payments Due	[1]Winfield Public Library	[2]Strother Field Ind Park	[3] Winfield USD #465
2011	\$ 31,437	\$ 18,626	\$ 6,434	\$ 6,377
2012	31,437	18,625	6,435	6,377
2013	12,812	-	6,435	6,377
2014	12,811	-	6,434	6,377
2015	12,812	-	6,435	6,377
2016	6,378	-	-	6,378
2017	6,378	-	-	6,378
2018	6,378	-	-	6,378
	<u>\$ 120,443</u>	<u>\$ 37,251</u>	<u>\$ 32,173</u>	<u>\$ 51,019</u>

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

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

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

8. Changes in Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2010 was as follows:

	Balance January 1	Additions	Deletions	Transfers/ Reclassifications	Balance December 31
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,827,047	\$ 76,417	\$ -	\$ -	\$ 1,903,464
Construction in progress	38,914	-	-	-	38,914
Total capital assets, not being depreciated	<u>\$ 1,865,961</u>	<u>\$ 76,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,942,378</u>
Capital assets, being depreciated:					
Buildings	\$ 9,678,625	\$ -	\$ -	\$ -	\$ 9,678,625
Other improvements/infrastructure	21,013,799	208,936	-	-	21,222,735
Machinery and equipment	8,683,414	435,049	(139,778)	6,430	8,985,115
Total capital assets, being depreciated	<u>39,375,838</u>	<u>643,985</u>	<u>(139,778)</u>	<u>6,430</u>	<u>39,886,475</u>
Less accumulated depreciation for:					
Buildings	(3,111,448)	(265,772)	-	-	(3,377,220)
Infrastructure	(4,822,427)	(396,550)	-	-	(5,218,977)
Machinery and equipment	(5,256,234)	(416,979)	138,821	(251)	(5,534,643)
Less accumulated depreciation	<u>(13,190,109)</u>	<u>(1,079,301)</u>	<u>138,821</u>	<u>(251)</u>	<u>(14,130,840)</u>
Total capital assets, being depreciated, net	<u>\$ 26,185,729</u>	<u>\$ (435,316)</u>	<u>\$ (957)</u>	<u>\$ 6,179</u>	<u>\$ 25,755,635</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	232,458	-	-	(232,458)	-
Total capital assets, not being depreciated	<u>\$ 1,059,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (232,458)</u>	<u>\$ 827,527</u>
Capital assets, being depreciated:					
Buildings	\$ 12,454,159	\$ -	\$ -	\$ (141,190)	\$ 12,312,969
Other improvements/infrastructure	55,350,126	2,086,124	(232,373)	270,588	57,474,465
Machinery and equipment	29,976,804	215,496	(227,510)	(6,430)	29,958,360
Total capital assets, being depreciated	<u>97,781,089</u>	<u>2,301,620</u>	<u>(459,883)</u>	<u>122,968</u>	<u>99,745,794</u>
Less accumulated depreciation for:					
Buildings	(6,099,474)	(441,736)	-	-	(6,541,210)
Infrastructure	(24,169,691)	(1,532,754)	204,600	-	(25,497,845)
Machinery and equipment	(17,660,133)	(861,902)	226,008	646	(18,295,381)
	<u>(47,929,298)</u>	<u>(2,836,392)</u>	<u>430,608</u>	<u>646</u>	<u>(50,334,436)</u>
Total capital assets, being depreciated, net	<u>\$ 49,851,791</u>	<u>\$ (534,772)</u>	<u>\$ (29,275)</u>	<u>\$ 123,614</u>	<u>\$ 49,411,358</u>

9. Depreciation allocations

Depreciation expense in 2010 was charged to function/programs of the primary government, as follows:

Governmental activities:		
General government	\$	176,531
Public safety		253,273
Public works		332,578
Cemetery		5,304
Culture and recreation		311,615
Total depreciation expense - governmental activities	\$	<u>1,079,301</u>
Business-type activities:		
Electric		1,411,201
Gas		134,988
Water		457,179
Refuse		56,625
Wastewater		621,916
Golf course		154,484
Total depreciation expense - business-type activities	\$	<u>2,836,393</u>

10. Temporary Notes

Kansas law permits the issuance of temporary notes to finance certain capital improvement projects which will be refinanced with general obligation bonds. Prior to the issuance of the temporary notes, the City must take the necessary legal steps to authorize the issuance of general obligation bonds. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance. At December 31, 2010, the City had no temporary notes outstanding.

11. Long-Term Debt

A. Capitalized Lease Obligations

The City has entered into lease agreements as lessee for financing the purchase of several assets. Such leases qualify as capital leases for accounting purposes and, accordingly, have been recorded at the present value of the minimum payments at the date of lease inception. The total cost of those assets being purchased through capital leases amount to \$1,499,257. Of that total, \$1,305,817 is governmental activities assets, and \$193,440 is business type activities assets. Below is a listing of the capital leases payable at December 31, 2010:

	Interest Rate	Balance December 31
Governmental activities		
Aerial fire truck	4.57%	\$ 646,978
Street sweeper	3.75%	109,105
Park play area surfacing	3.73%	57,772
Computer hardware/software	3.73%	16,992
Business activities		
Refuse truck	3.65%	\$ 40,995
Computer hardware/software	3.73%	16,992

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

Year Ending Dec 31	Government activities		
	Total	Principal	Interest
2011	\$ 204,407	\$ 167,865	\$ 36,543
2012	204,407	174,966	29,441
2013	164,890	142,877	22,013
2014	125,719	109,946	15,773
2015	125,718	114,970	10,748
2016	125,718	120,224	5,494
	<u>\$ 950,859</u>	<u>\$ 830,848</u>	<u>\$ 120,012</u>

Year Ending Dec 31	Business-type activities		
	Total	Principal	Interest
2011	\$ 51,493	\$ 49,334	\$ 2,160
2012	8,981	8,653	328
	<u>\$ 60,474</u>	<u>\$ 57,987</u>	<u>\$ 2,488</u>

B. Certificates of Participation

The City issued \$3,605,000 in certificates of participation on March 15, 2003. Below is a summary of the certificates outstanding at December 31, 2010.

	Interest Rate	Balance December 31
Business-type activities:		
Electric generators	2.00-4.00	93,315
Quail Ridge golf course	2.00-4.00	351,685
Total business-type activities		<u>\$ 445,000</u>

The annual debt service requirements to maturity for the refunding certificates of participation are as follows:

Year Ending December 31	Business-type Activities		
	Total	Principal	Interest
2010	<u>\$ 453,900</u>	<u>\$ 445,000</u>	<u>\$ 8,900</u>

C. General Obligation Bonds Payable

General obligation bonds outstanding at December 31, 2010 are as follows:

	Interest Rate	Final Maturity Date	Total 12/31/2010
[1] Series 2001A GO	3.95-5.65	2011	55,000
[2] Series 2002B GO refunding	3.00-4.10	2015	795,000
[3] Series 2003A GO	2.00-4.00	2018	1,295,000
[4] Series 2005A GO	3.70-4.30	2021	705,000
[5] Series 2005B GO refunding	3.35-4.00	2019	1,650,000
[6] Series 2006A GO	3.60-4.50	2021	890,000
[7] Series 2008A GO	3.625-4.3	2026	4,245,000
[8] Series 2010A GO rfdg	2.00-3.10	2025	8,535,000
			<u>\$ 18,170,000</u>

- [1] Series 2001A GO bonds financed the acquisition of fire-fighting equipment by the City.
- [2] Series 2002A Go bonds financed municipal building capital improvements.
- [3] Series 2003A GO bonds provided financing for municipal building capital improvements, and a section of Bliss Street drainage and street improvements.
- [4] 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.
- [5] Series 2005B GO refunding issue refunded a portion of outstanding 1999A GO bonds.
- [6] Series 2006A GO bonds financed the City's Utt business park, and three special assessment projects.
- [7] Series 2008A GO bonds four special assessment projects (Cottonwood Court, Hiatt Hills, Morningview Acres, Thomas Canyon), zoysia grass replacement at the City's Quail Ridge golf course, and street/stormwater improvement projects.
- [8] 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. See Note 12.G. for additional detail.

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

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

Year Ending Dec 31	Total	Principal	Interest
2011	\$ 2,158,642	\$ 1,600,000	\$ 558,642
2012	2,241,193	1,725,000	516,193
2013	2,135,837	1,670,000	465,837
2014	2,135,722	1,720,000	415,722
2015	2,123,071	1,759,999	363,072
2016-2020	7,541,855	6,465,001	1,076,854
2021-2025	3,462,623	3,205,000	257,623
2026	31,965	25,000	6,965
	<u>\$ 21,830,908</u>	<u>\$ 18,170,000</u>	<u>\$ 3,660,908</u>

D. Kansas Department of Health and Environment Loans Payable

At December 31, 2010, the City had the following loan outstanding with the Kansas Department of Health and Environment (KDHE):

	Interest Rate	Final Maturity Date	Business-type Activities
Wastewater treatment plant improvements	3.26	2018	<u>\$ 3,937,275</u>

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

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

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

Year Ending Dec 31	Total	Principal	Interest
2011	\$ 563,102	\$ 438,287	\$ 124,815
2012	563,102	452,694	110,408
2013	563,102	467,572	95,530
2014	563,102	482,940	80,162
2015	563,102	498,812	64,290
2016-2018	1,689,304	1,596,970	92,334
	<u>\$ 4,504,814</u>	<u>\$ 3,937,275</u>	<u>\$ 567,539</u>

E. Kansas Department of Transportation Loans Payable

Below is a listing of the City's outstanding KDOT loans as of December 31, 2010:

	Interest Rate	Final Maturity Date	Governmental- type Activities
2007 KLINK Project TR0065	3.93%	2012	<u>\$ 71,452</u>

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

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

Year Ending Dec 31	Total	Principal	Interest
2011	\$ 37,667	\$ 35,037	\$ 2,630
2012	37,755	36,415	1,340
	<u>\$ 75,422</u>	<u>\$ 71,452</u>	<u>\$ 3,970</u>

F. 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, 2010:

	Governmental Activities
Animal shelter	\$ 52,208
Water/sewer extensions	19,313
	<u>\$ 71,521</u>

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

Year Ending Dec 31	Total
2011	\$ 32,507
2012	32,524
2013	6,490
	<u>\$ 71,521</u>

G. Current Refunding

On October 1, 2010, the City issued \$8,535,000 of general obligation bonds with an average interest rate of 2.55%, to finance a combination of \$7,640,000 of current refunding debt and \$895,000 of new debt. Below is a summary of the cash flow requirements necessary to service both the original debt and the refunding debt:

	Original Issuance Date	Original Debt	Amount Outstanding	Amount of Refunding Debt	Final Maturity Date
<i>Refunded Debt</i>					
Series 2002-A General obligation Bonds	2002	\$685,000	\$160,000	\$161,532	2012
KDHE Loan #2181, water distribution system improvements [a]	2002	2,330,986	1,619,437	1,640,140	2022
KDHE Loan #2233, water treatment plant improvements [a]	2005	6,042,120	4,918,180	4,978,077	2025
KDOT loan #0037 stormwater and streets improvements	2006	800,000	512,250	518,537	2016
KDOT loan #0055 Street improvements	2007	460,000	337,698	341,714	2017
Total Refunding Debt		<u>\$10,318,106</u>	<u>\$7,547,565</u>	<u>\$7,640,000</u>	
<i>New Debt</i>					
KDOT loan #0113 Street improvements	2009	-	-	685,000	2020
2010 Street Improvements		-	-	210,000	2017
Total		<u>\$10,318,106</u>	<u>\$7,547,565</u>	<u>\$8,535,000</u>	

	Cash Flow Requirements		
	Original Debt	Refunding Debt	Net Savings
Series 2002-A General obligation Bonds	\$169,800	\$164,652	\$5,148
KDHE Loan #2181, water distribution system improvements	2,073,584	1,887,552	186,032
KDHE Loan #2233, water treatment plant improvements	6,488,667	6,008,039	480,628
KDOT loan #0037 stormwater and streets improvements	582,868	549,830	33,038
KDOT loan #0055 Street improvements	387,921	366,739	21,182
Total	<u>\$9,702,840</u>	<u>\$8,976,812</u>	<u>\$726,028</u>

Net economic gain (difference between the present values of the new and old debt payments) on the current refunding was \$587,731. The new maturity schedules on the refunded debt have the same years to maturity length as the original debt. Underwriting and issuance costs were \$106,369.

H. Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2010 is as follows:

	Balance January 1	Additions	Refunding	Payments	Balance December 31	Due w ithin one year
Governmental Activities						
General obligation bonds	\$ 10,870,000	\$ 895,000	\$ 861,783	\$ 1,075,000	\$ 11,551,783	\$ 1,178,677
Sales tax revenue bonds	25,000	-	-	25,000	-	-
Capital leases	991,771	-	-	160,922	830,849	167,865
KDOT loans	1,072,323	-	(849,948)	150,923	71,452	35,038
Interlocal agreement debt	103,995	-	-	32,474	71,521	32,507
Net unamortized premiums	8,335	14,702	-	952	22,085	3,808
Employee compensated absences	285,115	229,426	-	226,770	287,771	183,616
Net other post employment benefits obligation	45,935	41,322	-	-	87,257	-
Total long-term liabilities - governmental activities	<u>\$ 13,402,474</u>	<u>\$ 1,180,450</u>	<u>\$ 11,835</u>	<u>1,672,041</u>	<u>\$ 12,922,718</u>	<u>\$ 1,601,511</u>

	Balance January 1	Additions	Refunding	Payments	Balance December 31	Due w ithin one year
Business-type Activities						
KDHE loans	\$ 10,911,481	\$ 354,102	\$ (6,537,618)	790,690	\$ 3,937,275	\$ 438,287
General obligation bonds	-	-	6,618,217	-	6,618,217	421,323
Refunding cert of participation	860,000	-	-	415,000	445,000	445,000
Capital leases	105,527	-	-	47,540	57,987	49,334
Net unamortized premiums	-	52,840	-	970	51,870	3,880
Employee compensated absences	401,950	259,708	-	288,659	372,999	239,566
Net other post employment benefits obligation	50,365	45,268	-	-	95,633	-
Total long-term liabilities - business-type activities	<u>\$ 12,329,323</u>	<u>\$ 711,918</u>	<u>\$ 80,599</u>	<u>1,542,859</u>	<u>\$ 11,578,981</u>	<u>\$ 1,597,390</u>

I. Conduit Debt Obligations

From time to time the City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. At December 31, 2010, there were six series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$24,368,419.

12. Interest Expense

Below is a summary of the interest expense related to debt for the fiscal year 2010:

	Total Interest Expense	Governmental Activities	Business Activities
General obligation bonds	\$ 409,260	\$ 362,616	\$ 46,644
Sales Tax revenue bonds	925	925	-
KDOT TRF loans	39,654	39,654	-
KDHE revolving loans	367,077	-	367,077
Capital leases	41,868	39,030	2,838
Certification of Participation	24,462	-	24,462
	<u>\$ 883,246</u>	<u>\$ 442,225</u>	<u>\$ 441,021</u>

13. 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:

Year Ending December 31	Governmental Activities	Business-type Activities	Total
2011	\$ 28,640	\$ 6,300	\$ 34,940
2012	28,640	-	28,640
2013	10,135	-	10,135
Total minimum future rentals	<u>\$ 67,415</u>	<u>\$ 6,300</u>	<u>\$ 73,715</u>

Expenditures in the government-wide governmental and business-type activities for 2010 include \$28,640 and \$41,120 respectively, of operating lease payments.

14. 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 2010 inter-fund cash transfers:

<u>Transfers from</u>	<u>Transfers to</u>				
	General	Bond and Interest	Capital Improv	Nonmajor Gov't'l	Water
Primary Government:					
General	\$ -	\$ -	\$ 826,605	\$ 371,666	\$ -
Bond and Interest	-	-	-	-	-
Capital Improv	75,000	559,440	-	-	-
Nonmajor Gov't'l	-	138,030	30,531	20,000	-
Electric	1,432,167	-	-	15,000	100,000
Gas	374,121	-	-	6,000	100,000
Water	115,989	-	-	43,564	-
Refuse	65,214	-	-	-	100,000
Cemetery Endow	-	-	-	27	-
Total Reporting Entity	<u>\$ 2,062,491</u>	<u>\$ 697,470</u>	<u>\$ 857,136</u>	<u>\$ 456,257</u>	<u>\$ 300,000</u>

<u>Transfers from</u>	<u>Transfers to (continued)</u>			
	Golf Course	Wastewater	Electric Deprec Res	Totals
General	\$ -	\$ -	\$ -	\$ 1,198,271
Bond and Interest	-	100,000	-	100,000
Capital Improvements	-	-	-	634,440
Nonmajor Governmental	-	-	-	188,561
Electric	-	-	516,000	2,063,167
Gas	490,220	-	-	970,341
Water	-	-	-	159,553
Refuse	-	-	-	165,214
Cemetery Endow	-	-	-	27
Total Reporting Entity	<u>\$ 490,220</u>	<u>\$ 100,000</u>	<u>\$ 516,000</u>	<u>\$ 5,479,574</u>

15. Interfund Receivables/Payables

A. Advances to/Advances from Other Funds

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

	<u>Interfund Advances from</u>	<u>Interfund Advances to</u>
Governmental funds:		
General Fund	\$ 20,265	\$ -
Business-type funds:		
Electric	137,811	-
Gas	6,645	-
Water	2,970	-
Sewer	4,912	-
Subtotal	<u>172,603</u>	<u>-</u>
Nonmajor business-type funds:		
Refuse	7,620	-
Subtotal	<u>7,620</u>	<u>-</u>
Internal Service funds:		
Fleet management	-	70,000
Sales tax agency		56,292
Utility receivables financing	-	53,931
Subtotal	<u>-</u>	<u>180,223</u>
Total	<u>\$ 180,223</u>	<u>\$ 180,223</u>

B. Due to/Due from other Funds

Below is a summary of the due to/due from balances between funds at December 31, 2010:

	<u>Due to</u>	<u>Due from</u>
Electric fund	\$160,805	\$0
Energy grant fund	-	18,916
Wastewater fund	-	27,573
Water fund	-	114,316
	<u>\$160,805</u>	<u>\$160,805</u>

16. Noncash Contribution of Asset

In 2010, several armories in Kansas were closed as part of cost cutting measures by the Kansas National Guard. The Winfield armory building was one of those closures. As prescribed under KSA 48-310, the building was deeded back to the City, in May 2010. The Cowley County appraised value on the armory building was listed at \$450,450, The City transferred ownership of the building in June 2010, at no cost, to the local school district, USD No. 465, for use as a bus barn facility. Due to the substance of the transaction, the transaction dollar amounts are not included in the entity-wide Statement of Activities.

17. Restatement of Beginning Balances

A. Prior Period Adjustment – Correction of Capital Assets

The City's gas turbine plant (electric production) underwent major repairs over the period October 2009 through June 2010. At the end of 2009, \$59,956 in costs on this project was capitalized as construction in progress. The 2009 construction in progress asset was understated by \$73,894; correct capitalization in the electric utility fund was \$133,850.

The City's south sewer lift station was constructed during the 2009-2010 years. At the end of 2009, \$409,563 was capitalized as construction in progress. The 2009 construction in progress asset was overstated by \$176,954. Correct capitalization in the wastewater utility fund was \$232,609.

B. Prior Period Adjustment – Post Retirement Employee Benefits (OPEB)

The City implemented GASB 43 and 45 in fiscal year 2008. The OPEB liability was overstated in 2008 and 2009. Below is a summary of the effect of the change:

	12-31-2009 OPEB obligation		
	Before Adjustment	After Adjustment	Decrease
Governmental type activities	\$ 373,103	\$ 45,936	\$ 327,167
Business type activities	409,083	50,364	358,719
Total	<u>\$ 782,186</u>	<u>\$ 96,300</u>	<u>\$ 685,886</u>

C. Change in Accounting Estimate

The City implemented new utility billing software in 2007, allowing the city to analyze meter readings and utility billings at a more detailed level than the previous software. Gas, water, and electric usage is measured through monthly meter readings. The City changed its method of estimating unbilled utility receivables for these three utilities in 2010, from an overall estimation amount, to individual meter readings proration. City management believes the change provides for a more accurate unbilled utility receivables estimate. Below is summary of the effect of the change of estimate:

	12-31-2009 Utility Receivables		
	Before Adjustment	After Adjustment	Increase/ (Decrease)
Electric	\$ 1,628,238	\$ 1,950,112	\$ 321,874
Gas	738,895	1,204,220	465,325
Water	155,804	215,271	59,467
Totals	<u>\$ 2,522,937</u>	<u>\$ 3,369,603</u>	<u>\$ 846,666</u>

18. Net Assets and Fund Balances

A. Net Assets

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

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

Restricted describes the portion of Net Assets whose use is not subject solely to the City's own discretion. This includes resources subject to externally imposed restrictions, such as creditors, grantors, contributors, other governments' regulations, and other enabling legislation. Included in governmental-type restricted assets is \$826,186 of net assets restricted by legally enforceable enabling legislation

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

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

B. Reserves and Designations of Fund Balances

Reserved fund balance is reported to denote portions of fund balance that are either legally restricted to a specific future use or not available for appropriation or expenditures. The following reservations of fund balance are used by the City: [1] reserved for encumbrances – used to segregate a portion of fund balance for expenditures upon vendor performance; [2] reserved for inventory – used to segregate a portion of fund balance to indicate that inventories do not represent available or spendable resources, and [3] reserved for advances to other funds – used to segregate a portion of fund balance to indicate that the advance to internal service inventory fund does not represent available or spendable resources. Designations of fund balances are not legally required segregations, but segregate unreserved fund balance for a specific purpose.

19. Defined Benefit Pension Plan

Plan description

The City of Winfield participates in the Kansas Public Employees Retirement System (KPERs) and the Kansas Police and Firemen's Retirement System (KP&F). Both are cost sharing multiple-employer defined benefit pension plans as provided by K.S.A. 74-4901, et seq. KPERs and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs and KP&F issue a publicly available financial report that includes financial statements and require supplementary information. Those may be obtained by writing to KPERs (611 South Kansas Avenue, Suite 100, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

Funding policy

K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% 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, 2010 through December 31, 2010 is 7.14%. The City of Winfield employer contributions to KPERs for the years ended December 31, 2010, 2009, and 2008 were \$394,215, \$359,083, and \$327,635, respectively, equal to the statutory required contributions for each year. The KP&F employer rate established for fiscal years beginning in 2010 is 12.86%. 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, 2010, 2009, and 2008, were \$364,773, \$362,978, and \$404,615, respectively, equal to the statutory required contributions for each year.

20. Defined Contribution Plan

The City established a 401(a) defined contribution plan in 2004 for the benefit of employees. Any employee who has reached the top step in their position's pay range, and makes a minimum contribution of \$20 per pay period into the City-sponsored 457 plan, is 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 \$71,280 to employee accounts in 2010.

21. Postemployment Health Care Plan

Plan Description

The City sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to retirees, including medical and dental coverage. Retiree health coverage is provided for under K.S.A. 12-5040. All retirees who retire with at least 10 years of cumulative service with the City, and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERs), are eligible for benefits.

The 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.

Annual OPEB Cost and Net OPEB Obligation

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

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

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, 2010, was as follows:

Annual required contribution (ARC)	\$ 116,719
Interest on net OPEB obligation	4,815
Adjustment to annual required contribution	<u>(6,265)</u>
Annual OPEB cost (expense)	115,269
Expected employer contribution, net	<u>(28,678)</u>
Change in net OPEB obligation	86,591
Net OPEB obligation - beginning of year	<u>96,300</u>
Net OPEB obligation - end of year	<u><u>\$ 182,891</u></u>

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was not funded. Below is a schedule of funding progress:

Fiscal Year Ended	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UALL as a Percentage of Payroll
12-31-2008	\$ -	\$ 782,186	\$ 782,186	0.00%	\$ 8,270,079	9.5%
12-31-2009	-	782,186	782,186	0.00%	7,948,411	9.5%
12-31-2010	-	881,110	881,110	0.00%	7,948,411	11.1%

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

Actuarial Methods and Assumptions

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

In the January 1, 2010 actuarial valuation, the projected unit credit method was applied. The actuarial assumptions included a 5 percent investment rate of return, which is a blended rate of the expected long-term investment returns on the City’s pooled funds and investments. The valuation assumed annual healthcare cost trend rates of six to seven percent in years 2010-2011, and an ultimate rate of five percent after 2011. 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.

22. 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 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, of 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. During 2009, the City purchased commercial insurance coverage for all substantial areas of risk, including property loss, auto liability, boiler and machinery, general and public officials’ liability. Individual funds paid their portions of insurance policy premiums, reflected as expenditures or expenses in those funds. Insurance settlements did not exceed insurance coverage in any of the past three years.

The following is a summary in changes of liability activity under the plan for 2010 and the prior two years:

	2010	2009	2008
Liability balance, beginning	\$ 350	\$ -	\$ -
Claims incurred	125,914	361,143	235,440
Less insurance/other reimbursements	(221,279)	(380,533)	(190,506)
Total costs incurred	(95,015)	(19,390)	44,934
Less claims paid	97,616	19,740	(44,934)
Liability balance, ending	<u>\$ 2,601</u>	<u>\$ 350</u>	<u>\$ -</u>

B. Workers’ Compensation Reserve

The workers’ compensation program is a partially self-funded program covering substantially all full-time and part-time employees of the City. Funding is provided by annual contributions from other City functions that have an insurable risk, based on actuarial computations provided by an insurance consultant. Workers’ compensation insurance premiums are paid through this fund. The City has insurance coverage for excess claims, summarized below:

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

Workers’ Compensation Insurance settlements did not exceed insurance coverage in 2010 or the prior two years. Two employees’ cumulative claims stemming from prior years’ work-injury incidents did exceed the City’s excess claims coverage. All claims related to these two incidents, originating in 1998 and 2001, are being paid through the excess coverage insurance policy, and not a claims liability for the City. The City’s insurance consultants estimated full funding of the reserve to be approximately \$2.5 million.

The following represents the changes in the liability activity under the plan for 2010 and the prior two years:

	2010	2009	2008
Liability balance, beginning	\$ 6,969	\$ 9,650	\$ -
Claims incurred	155,171	139,283	62,917
Less insurance coverage reimbursements	<u>(6,969)</u>	<u>(56,624)</u>	<u>(29,783)</u>
Total costs incurred	155,171	92,309	33,134
Less claims paid	<u>(87,919)</u>	<u>(85,340)</u>	<u>(23,484)</u>
Liability balance, ending	<u>\$ 67,252</u>	<u>\$ 6,969</u>	<u>\$ 9,650</u>

The City converted to full workers' compensation insurance coverage in 2011. See Note 24.B. below.

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 2010 was provided through Blue Cross Blue Shield. At December 31, 2010, the City had \$130,967 of net assets available for future health insurance premiums. The funds are being retained to stabilize future premium increases and provide a reserve, if the City should choose to self-insure in the future.

D. Short Term Disability Reserve

This reserve was created in 1997 to provide financial assistance to regular employees following sixty days of continuous disability. The benefit amounts to 50% of pre-disability weekly gross earnings up to a maximum weekly benefit of \$650, and is payable to an employee for a maximum of twenty-six weeks immediately following completion of the sixty-day waiting period. An employee may receive this benefit for a maximum of fifty-two weeks over his/her career with the City. At December 31, 2010, the City had \$204,788 of net assets available for short term disability benefits to employees.

23. Capital Projects

At December 31, 2010, completed projects and construction projects in progress, for which the City has authorization for debt funding, are as follows:

	Amount Authorized	Expenditures Project To-Date	Construction Commitments at 12-31-10
Construction projects:			
[a] Country Club Villa Water, Streets, Sewer and Drainage Improvements	\$ 177,000	\$ 42,980	\$ -
[b] KLINK street improvement project	452,000	349,840	36,595

[a] To be financed with special assessments and gen obligation bonds (projects placed on hold in early 2009)

[b] Project completed in 2010, funded through 2010 general obligation bond.

24. Contingencies and Commitments

A. 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 scheduling responsibilities for the city's power supply contracts with the Grand River Dam Authority, Kansas Municipal Energy Agency Nearman Generation, Oklahoma Municipal Power Authority, and the Southwestern Power Administration have been assigned to KPP and that agency manages power supply on behalf of the City. KPP has entered into transmission arrangements with the Southwest Power Pool on behalf of the City. 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. A ten year notice by the City to KPP is required for withdrawal from the agency.

▪ ***Kansas Municipal Energy Agency (KMEA) Electric Purchase Contracts***

The City is a participant City of KMEA, a municipal energy agency of the State of Kansas, for two separate power supply contracts. One contract is for power from the Nearman Power Plant owned and operated by the Kansas City Kansas Board of Public Utilities. The contract is in force through May 31, 2022.

The City has an additional agreement with KMEA for power supply from the Grand River Dam Authority. This contract is in force through December 31, 2018.

▪ ***Southwestern Power Administration (SPA)***

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.

The payment and scheduling responsibilities under all these contracts have all been assigned to KPP, and all billings and payments are handled through KPP.

B. Gas Purchase Commitments

At December 31, 2010, the City was committed to purchase the following gas volumes for 2011:

January – March 2011	250,000 MMBTU @ \$1,125,840
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C. Gas Litigation

The City joined together with seventeen other municipalities in 2003 to file a civil action suit under the federal antitrust laws for overcharges in natural gas prices incurred by municipal gas systems that have taken place in the last four years and projected to continue into the future. The complaint was filed against five major natural gas companies. At December 31, 2010, the lawsuit remained underway, with no monetary developments to disclose.

D. 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 has been estimated to be \$288,000, over a 10 year period. At December 31, 2010, the City has expended \$185,053 in costs related to this plan.

E. 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.

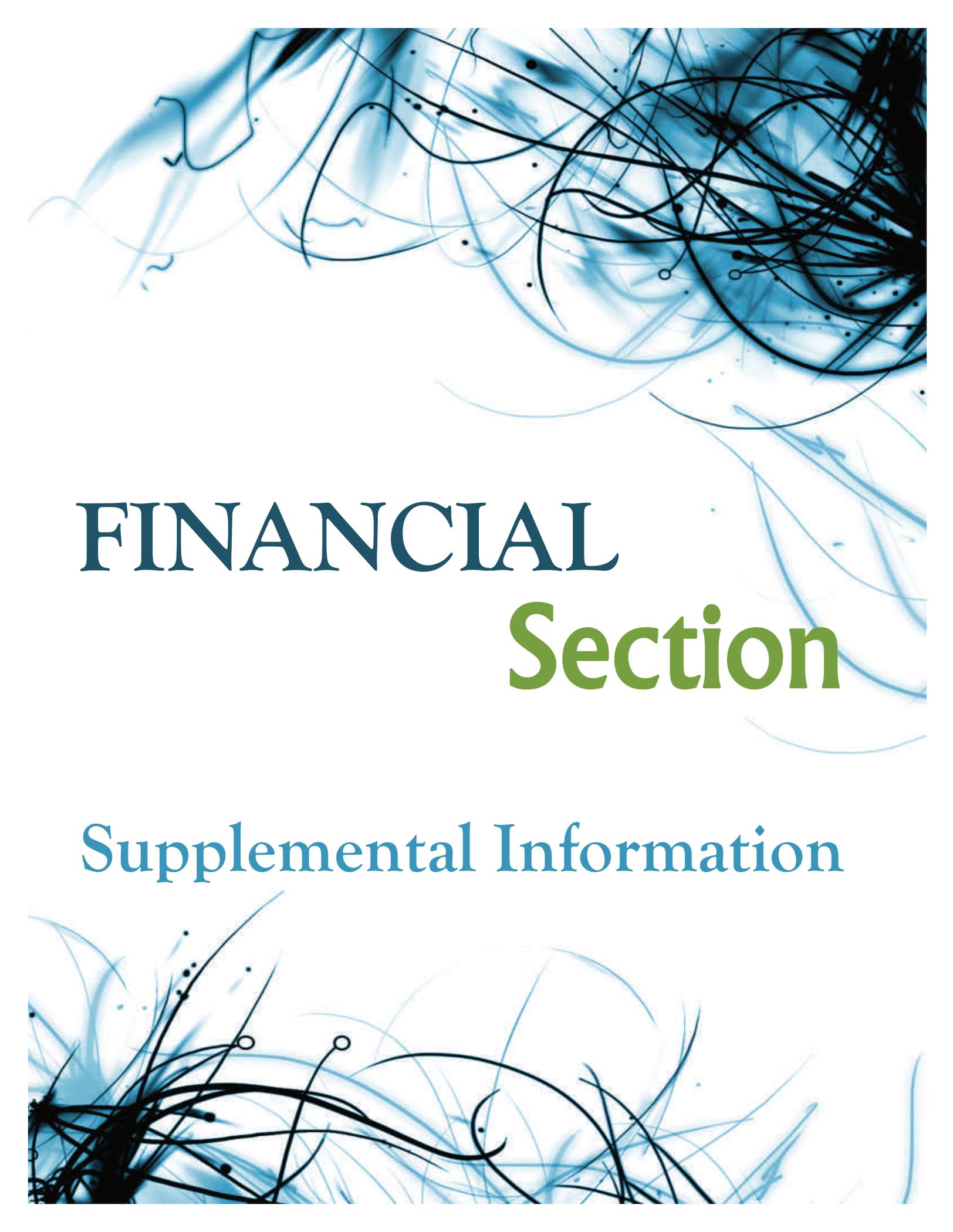
25. Subsequent Events

A. Baden Hall

In January 2011, the City sold Baden Hall, an unoccupied building, to Baden Hall Limited Partnership (developer) for \$1. The building is to be rehabilitated and developed into a 24-unit residential rental property for households with low and moderate income. Completion of the project is anticipated by the end of 2011. In addition, the City agreed to a 30-year no-interest loan of \$248,000 to the developer. The loaned funds consist of prior years' private donations to the "Baden Hall Preservation Committee for the Preservation and Renovation of Baden Hall".

B. Workers' Compensation Plan

The City will become a member of the Kansas Eastern Region Insurance Trust group (KERIT), effective September 24, 2011. KERIT is a group of fifteen cities and counties joined together in a pool to provide workers' compensation coverage. The pool provides full workers' compensation insurance coverage, shifting the City from a partial self-insurance status to full insurance coverage in 2011 and forward.



FINANCIAL Section

Supplemental Information

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

Law Enforcement Trust – K.S.A. 65-4173 requires the City to deposit the net proceeds of sales of forfeited property and moneys related to controlled substances activities to be deposited into a separate fund. Appropriations from this fund are not to be used to meet normal operating expenses of the police department. The statute defines allowable expenditures.

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (continued)

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

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

Baden Hall Restoration – The City owns Baden Hall, a building to be renovated in Baden Square. Private contributions from citizens and St. John Alumni, designated for the renovation of Baden Hall, have been accumulated in this fund. Renovations are planned in 2011.

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.

Third Avenue Improvements – Street, stormwater, sewer and water improvements are authorized for a section of Third Avenue. The project was completed in 2010, and financed through 2008 general obligation bonds.

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

Geometric Street Improvements Project

Street, curb and gutter and drainage improvements were made to a multi-block section of US-77, a main arterial street in downtown Winfield. The State of Kansas paid for 50% of the project, and the balance was financed by the city through general obligation bonds.

Permanent Fund

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

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CITY OF WINFIELD, KANSAS

Nonmajor Governmental Funds Combining Balance Sheet December 31, 2010

	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	\$ 64,614	\$ 58,972	\$ 4,846	\$ 823	\$ 57,336	\$ 11,124
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Due from other governmental agencies	-	-	-	-	-	-
Total assets	<u>\$ 64,614</u>	<u>\$ 58,972</u>	<u>\$ 4,846</u>	<u>\$ 823</u>	<u>\$ 57,336</u>	<u>\$ 11,124</u>
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ -	\$ 7,504	\$ 457	\$ -	\$ -	\$ -
Deficit cash, due to other funds	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>7,504</u>	<u>457</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Reserved for encumbrances	-	-	-	-	9,743	-
Reserved for capital outlay	-	-	-	-	-	-
Unreserved:						
Designated for subsequent year expenditures	15,250	51,468	4,389	823	47,593	9,140
Undesignated - special revenue funds	49,364	-	-	-	-	1,984
Undesignated - capital project funds	-	-	-	-	-	-
Undesignated, reported in permanent fund	-	-	-	-	-	-
Total fund balances	<u>64,614</u>	<u>51,468</u>	<u>4,389</u>	<u>823</u>	<u>57,336</u>	<u>11,124</u>
Total liabilities and fund balances	<u>\$ 64,614</u>	<u>\$ 58,972</u>	<u>\$ 4,846</u>	<u>\$ 823</u>	<u>\$ 57,336</u>	<u>\$ 11,124</u>

Special Revenue Funds

<u>Special Liability</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>
\$ 398,903	\$ 225,651	\$ 30,021	\$ 118,040	\$ 68,258	\$ 18,668	\$ 105,257
117,851	-	11,944	-	-	-	-
-	185	-	-	-	-	-
-	15,279	-	-	-	-	-
<u>\$ 516,754</u>	<u>\$ 241,115</u>	<u>\$ 41,965</u>	<u>\$ 118,040</u>	<u>\$ 68,258</u>	<u>\$ 18,668</u>	<u>\$ 105,257</u>
\$ 56,473	\$ 20,057	\$ -	\$ 1,010	\$ -	\$ 5,245	\$ 22,996
117,851	-	11,944	-	-	-	-
<u>174,324</u>	<u>20,057</u>	<u>11,944</u>	<u>1,010</u>	<u>-</u>	<u>5,245</u>	<u>22,996</u>
3,785	30,542	-	-	-	-	-
-	-	-	-	-	-	-
338,645	190,516	30,021	109,486	68,258	13,423	82,261
-	-	-	7,544	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>342,430</u>	<u>221,058</u>	<u>30,021</u>	<u>117,030</u>	<u>68,258</u>	<u>13,423</u>	<u>82,261</u>
<u>\$ 516,754</u>	<u>\$ 241,115</u>	<u>\$ 41,965</u>	<u>\$ 118,040</u>	<u>\$ 68,258</u>	<u>\$ 18,668</u>	<u>\$ 105,257</u>

(Continued)

CITY OF WINFIELD, KANSAS

Nonmajor Governmental Funds Combining Balance Sheet December 31, 2010

	Special Revenue Funds				
	Public Library	Equipment Reserve	Special Improvements	Baden Hall Restoration	Grants and Contributions
ASSETS					
Pooled cash and investments	\$ -	\$ 626	\$ 41,487	\$ 247,753	\$ 20,168
Taxes receivable	440,323	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other governmental agencies	-	-	-	-	-
Total assets	\$ 440,323	\$ 626	\$ 41,487	\$ 247,753	\$ 20,168
 LIABILITIES AND FUND BALANCES					
Accounts payable	\$ -	\$ 625	\$ -	\$ -	\$ 816
Deficit cash, due to other funds	-	-	-	-	-
Deferred revenues	440,323	-	-	-	-
Total liabilities	440,323	625	-	-	816
 Fund balances					
Reserved for encumbrances	-	-	-	-	-
Reserved for capital outlay	-	-	-	-	-
Unreserved:					
Designated for subsequent year expenditures	-	-	10,000	247,753	-
Undesignated - special revenue funds	-	1	31,487	-	19,352
Undesignated - capital project funds	-	-	-	-	-
Undesignated, reported in permanent fund	-	-	-	-	-
Total fund balances	-	1	41,487	247,753	19,352
Total liabilities and fund balances	\$ 440,323	\$ 626	\$ 41,487	\$ 247,753	\$ 20,168

Special Revenue Funds		Capital Project Funds				Permanent Fund	TOTALS
Alcohol & Drug Safety Action	Energy Manager Grant	Country Club Villa Improvmts	Third Avenue Improvmts	KLINK 2010/2011 Street Improv	Streets Geometric Project	Cemetery Endowment	
\$ 4,057	\$ -	\$ -	\$ -	\$ 32,519	\$ -	\$ 6,000	\$ 1,515,123
-	-	-	-	-	-	-	570,118
-	-	-	-	-	-	-	185
-	65,000	-	-	-	-	-	80,279
<u>\$ 4,057</u>	<u>\$ 65,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,519</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 2,165,705</u>
\$ -	\$ 1,386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,569
-	18,916	42,980	-	-	-	-	61,896
-	44,698	-	-	-	-	-	614,816
-	65,000	42,980	-	-	-	-	793,281
-	-	-	-	-	-	-	44,070
-	-	-	-	-	-	-	-
4,057	-	-	-	-	-	-	1,223,083
-	-	-	-	32,519	-	-	142,251
-	-	(42,980)	-	-	-	-	(42,980)
-	-	-	-	-	-	6,000	6,000
<u>4,057</u>	<u>-</u>	<u>(42,980)</u>	<u>-</u>	<u>32,519</u>	<u>-</u>	<u>6,000</u>	<u>1,372,424</u>
<u>\$ 4,057</u>	<u>\$ 65,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,519</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 2,165,705</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, 2010

	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	-	17,087	17,087	-	-	4,500
Charges for services	-	13,994	-	-	-	-
Interest	310	238	26	42	197	52
Other	-	6,213	2,940	3,116	-	1,235
Total revenues	<u>310</u>	<u>37,532</u>	<u>20,053</u>	<u>3,158</u>	<u>197</u>	<u>5,787</u>
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	24,500	24,124	-	-
Public works	20,089	-	-	-	-	-
Cemetery	-	-	-	-	-	-
Culture and recreation	-	47,455	-	-	-	8,340
Health and welfare	-	-	-	-	18,868	-
Economic development	-	-	-	-	-	-
Debt service:						
Capital lease principal payments	-	-	-	-	-	-
Capital lease interest payments	-	-	-	-	-	-
Total expenditures	<u>20,089</u>	<u>47,455</u>	<u>24,500</u>	<u>24,124</u>	<u>18,868</u>	<u>8,340</u>
Revenues over (under) expenditures	<u>(19,779)</u>	<u>(9,923)</u>	<u>(4,447)</u>	<u>(20,966)</u>	<u>(18,671)</u>	<u>(2,553)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	55,392	4,300
Transfers out	-	-	-	-	(30,531)	-
KDOT loan proceeds	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
General obligation bond proceeds	-	-	-	-	-	-
General obligation refunding bond premium	-	-	-	-	-	-
Proceeds from sale of equipment	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,861</u>	<u>4,300</u>
Net change in fund balances	<u>(19,779)</u>	<u>(9,923)</u>	<u>(4,447)</u>	<u>(20,966)</u>	<u>6,190</u>	<u>1,747</u>
Fund balances, January 1	<u>84,393</u>	<u>61,391</u>	<u>8,836</u>	<u>21,789</u>	<u>51,146</u>	<u>9,377</u>
Fund balances, December 31	<u>\$ 64,614</u>	<u>\$ 51,468</u>	<u>\$ 4,389</u>	<u>\$ 823</u>	<u>\$ 57,336</u>	<u>\$ 11,124</u>

Special Revenue Funds

Special Liability	Special Streets and Highway	Industrial Development	Tourism and Convention	Fairgrounds Improvements	Drug Task Force	Cemetery Improvement
\$ 132,915	\$ -	\$ 23,402	\$ -	\$ -	\$ -	\$ -
-	417,024	-	76,622	-	15,000	-
-	-	-	1,520	12,549	-	7,116
1,950	914	298	560	365	119	474
901	653	-	3,152	2,450	1,358	576
<u>135,766</u>	<u>418,591</u>	<u>23,700</u>	<u>81,854</u>	<u>15,364</u>	<u>16,477</u>	<u>8,166</u>
213,481	-	-	-	-	-	-
-	-	-	-	-	23,263	-
-	639,979	-	-	-	-	-
-	-	-	-	-	-	26,025
-	-	-	-	17,337	-	-
-	-	-	-	-	-	-
-	-	42,517	96,260	-	-	-
-	33,740	-	-	-	-	-
-	5,431	-	-	-	-	-
<u>213,481</u>	<u>679,150</u>	<u>42,517</u>	<u>96,260</u>	<u>17,337</u>	<u>23,263</u>	<u>26,025</u>
<u>(77,715)</u>	<u>(260,559)</u>	<u>(18,817)</u>	<u>(14,406)</u>	<u>(1,973)</u>	<u>(6,786)</u>	<u>(17,859)</u>
20,000	350,000	21,000	-	-	-	27
-	(75,000)	(42,289)	-	(20,000)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,600	-	-	-	-	-
-	-	-	-	-	-	-
<u>20,000</u>	<u>277,600</u>	<u>(21,289)</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>27</u>
(57,715)	17,041	(40,106)	(14,406)	(21,973)	(6,786)	(17,832)
<u>400,145</u>	<u>204,017</u>	<u>70,127</u>	<u>131,436</u>	<u>90,231</u>	<u>20,209</u>	<u>100,093</u>
<u>\$ 342,430</u>	<u>\$ 221,058</u>	<u>\$ 30,021</u>	<u>\$ 117,030</u>	<u>\$ 68,258</u>	<u>\$ 13,423</u>	<u>\$ 82,261</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, 2010

	Special Revenue Funds				
	Public Library	Equipment Reserve	Special Improvements	Baden Hall Restoration	Grants and Contributions
Revenues					
Property taxes	\$ 497,300	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	2,280
Charges for services	-	-	-	-	-
Interest	-	7	184	1,102	76
Other	-	-	-	-	10,556
Total revenues	<u>497,300</u>	<u>7</u>	<u>184</u>	<u>1,102</u>	<u>12,912</u>
Expenditures					
General government	-	6,024	22,921	-	-
Public safety	-	-	-	-	17,978
Public works	-	-	-	-	-
Cemetery	-	-	-	-	-
Culture and recreation	497,300	-	-	-	-
Health and welfare	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service:					
Capital lease principal payments	-	-	-	-	-
Capital lease interest payments	-	-	-	-	-
Total expenditures	<u>497,300</u>	<u>6,024</u>	<u>22,921</u>	<u>-</u>	<u>17,978</u>
Revenues over (under) expenditures	<u>-</u>	<u>(6,017)</u>	<u>(22,737)</u>	<u>1,102</u>	<u>(5,066)</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
KDOT loan proceeds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
General obligation bond proceeds	-	-	-	-	-
General obligation refunding bond premium	-	-	-	-	-
Proceeds from sale of equipment	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(6,017)	(22,737)	1,102	(5,066)
Fund balances, January 1	<u>-</u>	<u>6,018</u>	<u>64,224</u>	<u>246,651</u>	<u>24,418</u>
Fund balances, December 31	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 41,487</u>	<u>\$ 247,753</u>	<u>\$ 19,352</u>

Special Revenue Funds		Capital Projects Funds				Permanent Fund	TOTALS
Alcohol & Drug Safety Action	Energy Manager Grant	Country Club Villa Improvmts	Third Avenue Improvmts	KLINK 2010/2011 Street Improv	Streets Geometric Project	Cemetery Endowment	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 653,617
-	20,302	-	-	169,567	-	-	739,469
-	-	-	-	-	-	-	35,179
-	-	-	-	155	546	27	7,642
-	-	-	-	-	-	-	33,150
-	20,302	-	-	169,722	546	27	1,469,057
1,480	20,302	-	-	-	-	-	264,208
-	-	-	-	-	-	-	89,865
-	-	-	-	348,648	-	-	1,008,716
-	-	-	-	-	-	-	26,025
-	-	-	-	-	-	-	570,432
-	-	-	-	-	-	-	18,868
-	-	-	-	-	-	-	138,777
-	-	-	-	-	-	-	33,740
-	-	-	-	-	-	-	5,431
1,480	20,302	-	-	348,648	-	-	2,156,062
(1,480)	-	-	-	(178,926)	546	27	(687,005)
5,537	-	-	-	-	-	-	456,256
-	-	-	(740)	-	(357)	(27)	(168,944)
-	-	-	-	-	630,970	-	630,970
-	-	-	-	-	(643,811)	-	(643,811)
-	-	-	-	210,000	685,000	-	895,000
-	-	-	-	4,317	10,563	-	14,880
-	-	-	-	-	-	-	2,600
-	-	-	-	(2,872)	(8,898)	-	(11,770)
5,537	-	-	(740)	211,445	673,467	(27)	1,175,181
4,057	-	-	(740)	32,519	674,013	-	488,176
-	-	(42,980)	740	-	(674,013)	6,000	884,248
\$ 4,057	\$ -	\$ (42,980)	\$ -	\$ 32,519	\$ -	\$ 6,000	\$ 1,372,424

(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, 2010

	<u>FLOOD CONTROL</u>			<u>SPECIAL PARKS & RECREATION</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues and other sources						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	18,948	17,087	(1,861)
Interest	1,000	310	(690)	700	238	(462)
Other	-	-	-	15,500	29,437	13,937
Transfers from other funds	-	-	-	-	-	-
Total revenues and other sources	<u>1,000</u>	<u>310</u>	<u>(690)</u>	<u>35,148</u>	<u>46,762</u>	<u>11,614</u>
Expenditures and other uses						
Personal services	-	-	-	-	-	-
Contractual services	10,250	-	10,250	-	4,085	(4,085)
Materials and supplies	5,000	89	4,911	-	-	-
Other	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Capital outlay	20,000	20,000	-	48,000	43,370	4,630
Transfers to other funds	-	-	-	-	-	-
Contingency	32,000	-	32,000	30,000	-	30,000
Neighborhood Revitalization	-	-	-	-	-	-
Total expenditures and other uses	<u>67,250</u>	<u>20,089</u>	<u>47,161</u>	<u>78,000</u>	<u>47,455</u>	<u>30,545</u>
Revenues and other sources over (under) expenditures and other uses	(66,250)	(19,779)	46,471	(42,852)	(692)	42,160
Unencumbered fund balance, January 1	<u>69,892</u>	<u>84,393</u>	<u>(14,501)</u>	<u>44,612</u>	<u>52,160</u>	<u>7,548</u>
Unencumbered fund balance, December 31	<u>\$ 3,642</u>	<u>\$ 64,614</u>	<u>\$ 60,972</u>	<u>\$ 1,760</u>	<u>\$ 51,468</u>	<u>\$ 49,708</u>

SPECIAL ALCOHOL PROGRAM

LAW ENFORCEMENT TRUST

SPECIAL ALCOHOL PROGRAM			LAW ENFORCEMENT TRUST			
Budget	Actual	Variance	Original Budget	Amended Budget	Actual	Variance from Amended Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18,948	17,087	(1,861)	-	-	-	-
100	27	(73)	150	150	42	(108)
7,000	2,939	(4,061)	5,000	5,000	3,116	(1,884)
-	-	-	-	-	-	-
<u>26,048</u>	<u>20,053</u>	<u>(5,995)</u>	<u>5,150</u>	<u>5,150</u>	<u>3,158</u>	<u>(1,992)</u>
27,357	24,432	2,925	-	-	-	-
-	68	(68)	-	-	166	(166)
4,995	-	4,995	1,000	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,000	24,124	23,958	166
-	-	-	-	-	-	-
-	-	-	12,000	-	-	-
-	-	-	-	-	-	-
<u>32,352</u>	<u>24,500</u>	<u>7,852</u>	<u>14,000</u>	<u>24,124</u>	<u>24,124</u>	<u>-</u>
(6,304)	(4,447)	1,857	(8,850)	(18,974)	(20,966)	1,992
<u>6,805</u>	<u>8,836</u>	<u>2,031</u>	<u>10,977</u>	<u>21,789</u>	<u>21,789</u>	<u>-</u>
<u>\$ 501</u>	<u>\$ 4,389</u>	<u>\$ 3,888</u>	<u>\$ 2,127</u>	<u>\$ 2,815</u>	<u>\$ 823</u>	<u>\$ 1,992</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, 2010

	<u>WATER PRESERVATION</u>			<u>SENIOR CITIZENS FACILITY</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues and other sources						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	4,500	4,500	-
Interest	1,000	197	(803)	60	52	(8)
Other	-	1,438	1,438	3,000	1,235	(1,765)
Transfers from other funds	56,800	55,392	(1,408)	4,300	4,300	-
Total revenues and other sources	<u>57,800</u>	<u>57,027</u>	<u>(773)</u>	<u>11,860</u>	<u>10,087</u>	<u>(1,773)</u>
Expenditures and other uses						
Personal services	-	-	-	-	-	-
Contractual services	35,000	9,788	25,212	8,340	8,340	-
Materials and supplies	500	-	500	800	-	800
Other	-	-	-	-	-	-
Debt Service	34,213	30,531	3,682	-	-	-
Capital outlay	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Contingency	-	-	-	6,000	-	6,000
Neighborhood Revitalization	-	-	-	-	-	-
Total expenditures and other uses	<u>69,713</u>	<u>40,319</u>	<u>29,394</u>	<u>15,140</u>	<u>8,340</u>	<u>6,800</u>
Revenues and other sources over (under) expenditures and other uses	(11,913)	16,708	28,621	(3,280)	1,747	5,027
Unencumbered fund balance, January 1	<u>12,028</u>	<u>30,885</u>	<u>18,857</u>	<u>7,690</u>	<u>9,377</u>	<u>1,687</u>
Unencumbered fund balance, December 31	<u>\$ 115</u>	<u>\$ 47,593</u>	<u>\$ 47,478</u>	<u>\$ 4,410</u>	<u>\$ 11,124</u>	<u>\$ 6,714</u>

SPECIAL LIABILITY		
Budget	Actual	Variance
\$ 136,095	\$ 132,915	\$ (3,180)
-	-	-
7,500	1,950	(5,550)
-	901	901
-	20,000	20,000
<u>143,595</u>	<u>155,766</u>	<u>12,171</u>
-	-	-
8,000	3,600	4,400
86,968	85,822	1,146
31,012	-	31,012
-	-	-
120,000	121,718	(1,718)
-	-	-
240,000	-	240,000
-	1,188	(1,188)
<u>485,980</u>	<u>212,328</u>	<u>273,652</u>
(342,385)	(56,562)	285,823
<u>354,809</u>	<u>395,207</u>	<u>40,398</u>
<u>\$ 12,424</u>	<u>\$ 338,645</u>	<u>\$ 326,221</u>

SPECIAL STREETS & HIGHWAY		
Budget	Actual	Variance
\$ -	\$ -	\$ -
447,610	417,024	(30,586)
1,000	914	(86)
1,011	3,862	2,851
350,000	350,000	-
<u>799,621</u>	<u>771,800</u>	<u>(27,821)</u>
337,526	340,435	(2,909)
37,629	29,873	7,756
239,364	178,531	60,833
700	303	397
-	39,171	(39,171)
87,721	114,409	(26,688)
75,000	75,000	-
-	-	-
-	-	-
<u>777,940</u>	<u>777,722</u>	<u>218</u>
21,681	(5,922)	(27,603)
<u>26,076</u>	<u>180,974</u>	<u>154,898</u>
<u>\$ 47,757</u>	<u>\$ 175,052</u>	<u>\$ 127,295</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, 2010

	<u>INDUSTRIAL DEVELOPMENT</u>			<u>TOURISM AND CONVENTION</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues and other sources						
Taxes	\$ 23,810	\$ 23,402	\$ (408)	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	81,000	76,622	(4,378)
Interest	2,000	298	(1,702)	2,000	560	(1,440)
Other	-	-	-	2,225	4,671	2,446
Transfers from other funds	21,000	21,000	-	-	-	-
Total revenues and other sources	<u>46,810</u>	<u>44,700</u>	<u>(2,110)</u>	<u>85,225</u>	<u>81,853</u>	<u>(3,372)</u>
Expenditures and other uses						
Personal services	-	-	-	648	412	236
Contractual services	12,250	2,056	10,194	58,930	54,195	4,735
Materials and supplies	-	-	-	9,082	6,079	3,003
Other	56,500	40,259	16,241	25,500	29,508	(4,008)
Debt Service	-	-	-	-	-	-
Capital outlay	-	-	-	8,000	6,065	1,935
Transfers to other funds	35,000	42,289	(7,289)	-	-	-
Contingency	-	-	-	-	-	-
Neighborhood Revitalization	214	202	12	-	-	-
Total expenditures and other uses	<u>103,964</u>	<u>84,806</u>	<u>19,158</u>	<u>102,160</u>	<u>96,259</u>	<u>5,901</u>
Revenues and other sources over (under) expenditures and other uses	(57,154)	(40,106)	17,048	(16,935)	(14,406)	2,529
Unencumbered fund balance, January 1	<u>57,221</u>	<u>70,128</u>	<u>12,907</u>	<u>133,340</u>	<u>131,436</u>	<u>(1,904)</u>
Unencumbered fund balance, December 31	<u>\$ 67</u>	<u>\$ 30,022</u>	<u>\$ 29,955</u>	<u>\$ 116,405</u>	<u>\$ 117,030</u>	<u>\$ 625</u>

FAIRGROUNDS IMPROVEMENTS

<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
\$ -	\$ -	\$ -
-	-	-
1,000	365	(635)
14,000	15,130	1,130
-	-	-
<u>15,000</u>	<u>15,495</u>	<u>495</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	17,337	(17,337)
-	20,000	(20,000)
70,000	-	70,000
-	-	-
<u>70,000</u>	<u>37,337</u>	<u>32,663</u>
(55,000)	(21,842)	33,158
<u>63,549</u>	<u>90,100</u>	<u>26,551</u>
<u>\$ 8,549</u>	<u>\$ 68,258</u>	<u>\$ 59,709</u>

DRUG TASK FORCE

<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
\$ -	\$ -	\$ -
15,000	15,000	-
500	119	(381)
5,000	1,358	(3,642)
-	-	-
<u>20,500</u>	<u>16,477</u>	<u>(4,023)</u>
-	-	-
5,500	2,447	3,053
9,100	14,968	(5,868)
6,000	5,848	152
-	-	-
1,000	-	1,000
-	-	-
6,000	-	6,000
-	-	-
<u>27,600</u>	<u>23,263</u>	<u>4,337</u>
(7,100)	(6,786)	314
<u>11,301</u>	<u>20,209</u>	<u>8,908</u>
<u>\$ 4,201</u>	<u>\$ 13,423</u>	<u>\$ 9,222</u>

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, 2010

	<u>CEMETERY IMPROVEMENTS</u>			<u>PUBLIC LIBRARY</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues and other sources						
Taxes	\$ -	\$ -	\$ -	\$ 509,199	\$ 497,300	\$(11,899)
Intergovernmental revenues	-	-	-	-	-	-
Interest	1,500	474	(1,026)	-	-	-
Other	7,300	7,951	651	-	-	-
Transfers from other funds	-	27	27	-	-	-
Total revenues and other sources	<u>8,800</u>	<u>8,452</u>	<u>(348)</u>	<u>509,199</u>	<u>497,300</u>	<u>(11,899)</u>
Expenditures and other uses						
Personal services	-	-	-	-	-	-
Contractual services	-	2,739	(2,739)	-	-	-
Materials and supplies	3,500	3,469	31	-	-	-
Other	-	15	(15)	505,371	492,861	12,510
Debt Service	-	-	-	-	-	-
Capital outlay	17,150	4,802	12,348	-	-	-
Transfers to other funds	-	-	-	-	-	-
Contingency	59,000	-	59,000	-	-	-
Neighborhood Revitalization	-	-	-	3,828	4,439	(611)
Total expenditures and other uses	<u>79,650</u>	<u>11,025</u>	<u>68,625</u>	<u>509,199</u>	<u>497,300</u>	<u>11,899</u>
Revenues and other sources over (under) expenditures and other uses	(70,850)	(2,573)	68,277	-	-	-
Unencumbered fund balance, January 1	<u>72,083</u>	<u>84,834</u>	<u>12,751</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered fund balance, December 31	<u>\$ 1,233</u>	<u>\$ 82,261</u>	<u>\$ 81,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPECIAL IMPROVEMENTS

<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
\$ -	\$ -	\$ -
-	-	-
750	184	(566)
-	-	-
-	-	-
<u>750</u>	<u>184</u>	<u>(566)</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
10,000	-	10,000
-	-	-
<u>10,000</u>	<u>-</u>	<u>10,000</u>
(9,250)	184	9,434
<u>41,477</u>	<u>41,303</u>	<u>(174)</u>
<u>\$ 32,227</u>	<u>\$ 41,487</u>	<u>\$ 9,260</u>

BADEN HALL RESTORATION

<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
\$ -	\$ -	\$ -
-	-	-
6,500	1,102	(5,398)
-	-	-
-	-	-
<u>6,500</u>	<u>1,102</u>	<u>(5,398)</u>
-	-	-
-	-	-
-	-	-
-	-	-
256,290	-	256,290
-	-	-
-	-	-
-	-	-
<u>256,290</u>	<u>-</u>	<u>256,290</u>
(249,790)	1,102	250,892
<u>249,790</u>	<u>246,651</u>	<u>(3,139)</u>
<u>\$ -</u>	<u>\$ 247,753</u>	<u>\$ 247,753</u>

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, 2010

	ALCOHOL AND DRUG SAFETY		
	Amended Budget	Actual	Variance from Amended Budget
Revenues and other sources			
Taxes	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-
Interest	-	-	-
Other	-	-	-
Transfers from other funds	1,480	5,537	4,057
	1,480	5,537	4,057
Total revenues and other sources	1,480	5,537	4,057
 Expenditures and other uses			
Personal services	-	-	-
Contractual services	-	-	-
Materials and supplies	1,480	1,480	-
Other	-	-	-
Debt Service	-	-	-
Capital outlay	-	-	-
Transfers to other funds	-	-	-
Contingency	-	-	-
Neighborhood Revitalization	-	-	-
	1,480	1,480	-
Total expenditures and other uses	1,480	1,480	-
 Revenues and other sources over (under) expenditures and other uses	-	4,057	4,057
 Unencumbered fund balance, January 1	-	-	-
 Unencumbered fund balance, December 31	\$ -	\$ 4,057	\$ 4,057

(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, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues and other sources:			
Taxes:			
Property	\$ 715,306	698,802	\$ (16,504)
Special assessments	210,760	206,224	(4,536)
Other revenues:			
Interest income	8,000	2,973	(5,027)
Payments from other governmental entities, debt payment shares	31,437	31,437	-
Transfers in	763,242	697,827	(65,415)
Total revenues and other sources	<u>1,728,745</u>	<u>1,637,263</u>	<u>(91,482)</u>
Expenditures and other uses:			
Debt interest payments	468,859	440,034	28,825
Debt principal payments	1,221,275	1,175,636	45,639
Transfer to other fund for debt payment	100,000	100,000	-
Debt Issuance Cost	-	3,273	(3,273)
Debt service paid through refunding bonds proceeds	-	504,193	(504,193)
G. O. Refunding Bond Proceeds -budget credit	-	(507,264)	507,264
Contingency	100,000	-	100,000
Neighborhood Revitalization	6,606	6,023	583
Total expenditures and other uses	<u>1,896,740</u>	<u>1,721,895</u>	<u>174,845</u>
Revenues and other sources over (under) expenditures and other uses	(167,995)	(84,632)	83,363
Unencumbered fund balance, Jan 1	<u>203,318</u>	<u>215,847</u>	<u>12,529</u>
Unencumbered fund balance, Dec 31	<u>\$ 35,323</u>	<u>\$ 131,215</u>	<u>\$ 95,892</u>

CITY OF WINFIELD, KANSAS

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

Schedule of Revenues, Expenditures, and Changes in Fund Balances From Inception and for the Year ended December 31, 2009

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

CITY OF WINFIELD, KANSAS

Nonmajor Capital Projects Fund Third Avenue Water, Streets, and Paving Improvements

Schedule of Revenues, Expenditures, and Changes in Fund Balances From Inception and for the Year ended December 31, 2010

	Prior Years	Current Year	Total to Date	Project Authorization
Expenditures:				
Improvement projects	\$ 960,862	-	960,862	\$ 970,000
Other financing sources (uses):				
General bond issuance proceeds	970,000	-	970,000	970,000
Transfer to Bond & Interest	-	(740)		
Bond issuance costs	(8,398)	-	(8,398)	-
 Total other financing sources (uses)	961,602	(740)	961,602	970,000
 Net change in fund balances	740	(740)	-	\$ -
 Fund balance-beginning of year	-	740	-	
 Fund balance - end of year	\$ 740	\$ -	\$ -	

CITY OF WINFIELD, KANSAS

Nonmajor Capital Projects Fund KLINK 2010/2011 Street Improvements

Schedule of Revenues, Expenditures, and Changes in Fund Balances From Inception and for the Year ended December 31, 2010

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

CITY OF WINFIELD, KANSAS

Nonmajor Capital Projects Fund 2009 Streets Geometric Project

Schedule of Revenues, Expenditures, and Changes in Fund Balances From Inception and for the Year ended December 31, 2010

	Prior Years	Current Year	Total to Date	Project Authorization
Expenditures:				
Improvement projects	\$ 621,073	\$ 357	\$ 621,430	\$ 850,950
Other financing sources (uses):				
General obligation debt proceeds	-	685,000	685,000	-
KDOT loan proceeds	-	630,970	630,970	850,950
GO debt premium	-	11,391	11,391	-
KDOT principal payment	-	(630,970)	(630,970)	-
KDOT interest payment	-	(12,841)	(12,841)	-
Debt issuance costs	-	(9,369)	(9,369)	-
Interest income	-	546	546	-
Transfer to Bond and Interest	-	(357)	(357)	-
Transfer to Gas Tax	(52,940)	-	(52,940)	-
Total other financing sources (uses)	(52,940)	674,370	621,430	850,950
Net change in fund balances	(674,013)	674,013	-	\$ -
Fund balance-beginning of year	-	(674,013)	-	
Fund balance - end of year	\$ (674,013)	\$ -	\$ -	

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.

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CITY OF WINFIELD, KANSAS

NONMAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET ASSETS DECEMBER 31, 2010

	Refuse	Stormwater Drainage	Total
Assets			
Current assets			
Cash and temporary investments	\$ 649,133	\$ 203,553	\$ 852,686
Utility billing receivables, net	125,374	15,363	140,737
Total current assets	774,507	218,916	993,423
Capital Assets:			
Land	3,503	-	3,503
Buildings	60,157	-	60,157
Improvements other than buildings	-	4,791,897	4,791,897
Machinery, equipment, other	1,195,153	14,823	1,209,976
Less accumulated depreciation	(970,714)	(535,987)	(1,506,701)
Net capital assets	288,099	4,270,733	4,558,832
Other assets			
Advances to internal service funds	7,620	-	7,620
Deferred bond issuance costs	-	6,981	6,981
Investment in joint venture	46,584	-	46,584
Total other assets	54,204	6,981	61,185
Total assets	1,116,810	4,496,630	5,613,440
Liabilities			
Current liabilities			
Accounts payable	38,771	36,038	74,809
Accrued interest payable	1,060	3,043	4,103
Current portion of compensated absences	18,167	-	18,167
Current portion of long-term debt	40,995	82,496	123,491
Total current liabilities	98,993	121,577	220,570
Noncurrent liabilities			
General obligation refunding bonds payable	-	436,041	436,041
Deferred premium on refunding bonds	-	3,952	3,952
Accrued compensated absences	11,399	-	11,399
Net OPEB obligation	7,699	-	7,699
Total noncurrent liabilities	19,098	439,993	459,091
Total liabilities	118,091	561,570	679,661
Net Assets			
Invested in capital assets, net of debt	247,104	3,748,244	3,995,348
Unrestricted	751,615	186,816	938,431
Total net assets	\$ 998,719	\$ 3,935,060	\$ 4,933,779

CITY OF WINFIELD, KANSAS

NONMAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2010

	Refuse	Stormwater Drainage	Total
Operating revenues			
Charges for services and sales	\$1,379,054	\$ 149,339	\$1,528,393
Other	22,077	-	22,077
Total operating revenues	1,401,131	149,339	1,550,470
Operating expenses			
Services and supplies	1,151,511	60,778	1,212,289
Depreciation	56,625	70,415	127,040
Total operating expenses	1,208,136	131,193	1,339,329
Operating income (loss)	192,995	18,146	211,141
Non-operating revenues (expenses)			
Interest income	3,203	1,341	4,544
Loss on joint venture	(687)	-	(687)
Amortization of debt issuance costs	-	(144)	(144)
Interest expense	(1,958)	(19,930)	(21,888)
Other	10,654	-	10,654
Total non-operating revenues (expenses)	11,212	(18,733)	(7,521)
Net income (loss) before transfers	204,207	(587)	203,620
Capital contributions and transfers:			
Transfers - Payments in lieu of franchise fees	(65,214)	-	(65,214)
Transfers out - cash	(100,000)	(20,000)	(120,000)
Change in net assets	38,993	(20,587)	18,406
Total net assets - beginning	930,422	3,955,647	4,886,069
Restatements	29,304	-	29,304
Restated total net assets - beginning	959,726	3,955,647	4,915,373
Total net assets - ending	\$ 998,719	\$3,935,060	\$4,933,779

CITY OF WINFIELD, KANSAS

NONMAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2010

	Refuse	Stormwater Drainage	Total
Cash flows from operating activities			
Payments to suppliers	\$ (627,414)	\$ (27,782)	\$ (655,196)
Payments to employees	(516,170)	-	(516,170)
Receipts from customers	1,378,402	148,648	1,527,050
Other receipts	30,428	-	30,428
Net cash provided by operating activities	265,246	120,866	386,112
Cash flows from noncapital financing activities			
Transfer to other funds	(100,000)	(20,000)	(120,000)
Internal activity-payments in lieu of franchise fees	(65,214)	-	(65,214)
Net cash used by noncapital financing activities	(165,214)	(20,000)	(185,214)
Cash flows from capital and related financing activities			
Debt payments - interest	(2,980)	(22,562)	(25,542)
Debt payments - principal	(39,532)	(75,287)	(114,819)
Bond proceeds	-	3,165	3,165
Bond issuance costs	-	(3,165)	(3,165)
Proceeds from sale of capital assets	10,654	-	10,654
Acquisition of capital assets	(40,977)	-	(40,977)
Net cash used by capital and related financing activities	(72,835)	(97,849)	(170,684)
Cash flows from investing activities			
Interest income	3,203	1,341	4,544
Net cash provided from investing activities	3,203	1,341	4,544
Net decrease in cash and cash equivalents	30,400	4,358	34,758
Balances - beginning of the year	618,733	199,195	817,928
Balances - end of the year	\$ 649,133	\$ 203,553	\$ 852,686

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

Operating income (loss)	\$ 192,995	\$ 18,146	\$ 211,141
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	56,625	70,415	127,040
Changes in assets and liabilities:			
Receivables, net	7,698	(692)	7,006
Compensated absences	778	-	778
Net OPEB obligations	3,586	-	3,586
Accounts and other payables	3,564	32,997	36,561
Total adjustments	72,251	102,720	174,971
Net cash provided (used) by operating activities	\$ 265,246	\$ 120,866	\$ 386,112

Noncash Transactions

Loss on joint venture	(687)	-	(687)
Amortization of premium on bond issuance	-	(188)	(188)

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, 2010

ELECTRIC

	<u>Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues and other sources				
Charges for services	\$ 20,730,000	\$ 21,893,350	\$ 21,593,981	\$ (299,369)
Interest income	50,000	50,000	9,832	(40,168)
Other	13,900	13,900	63,097	49,197
Reimbursement of expenditures	20,000	20,000	34,659	14,659
Transfers from other funds	-	-	-	-
Total revenues and other sources	<u>20,813,900</u>	<u>21,977,250</u>	<u>21,701,569</u>	<u>(275,681)</u>
Expenditures and other uses				
Personal services	1,970,393	1,970,393	1,850,437	119,956
Contractual services	960,325	960,325	720,730	239,595
Materials and supplies	2,175,569	2,175,569	1,774,013	401,556
Other	14,200	14,200	5,636	8,564
Purchased power and fuel/resale	13,540,000	14,703,350	15,496,344	(792,994)
Capital outlay	725,000	725,000	484,737	240,263
Debt service	95,181	95,181	95,182	(1)
Debt service - through GO bond refunding	-	-	-	-
GO bond refunding-budget credit	-	-	-	-
In lieu of franchise taxes	1,421,400	1,421,400	1,432,167	(10,767)
Transfers to other funds	885,500	885,500	631,000	254,500
Debt issuance cost	-	-	-	-
Total expenditures and other uses	<u>21,787,568</u>	<u>22,950,918</u>	<u>22,490,246</u>	<u>460,672</u>
Revenues and other sources over (under) expenditures and other uses	(973,668)	(973,668)	(788,677)	184,991
Unencumbered fund balance, January 1	<u>1,540,707</u>	<u>1,540,707</u>	<u>1,400,635</u>	<u>140,072</u>
Unencumbered fund balance, December 31	<u>\$ 567,039</u>	<u>\$ 567,039</u>	<u>\$ 611,958</u>	<u>\$ 44,919</u>

GAS		
Budget	Actual	Variance
\$ 6,520,000	\$ 5,534,171	\$ (985,829)
12,000	7,353	(4,647)
4,250	2,729	(1,521)
25,000	9,720	(15,280)
-	-	-
<u>6,561,250</u>	<u>5,553,973</u>	<u>(1,007,277)</u>

WATER		
Budget	Actual	Variance
\$ 2,216,000	\$ 2,123,667	\$ (92,333)
100	-	(100)
17,600	31,540	13,940
30,000	32,651	2,651
-	300,000	300,000
<u>2,263,700</u>	<u>2,487,858</u>	<u>224,158</u>

698,357	675,442	22,915
125,519	115,145	10,374
561,346	548,943	12,403
7,350	2,978	4,372
4,145,000	2,972,415	1,172,585
149,000	-	149,000
-	119,602	(119,602)
-	-	-
-	-	-
390,000	374,121	15,879
156,000	596,220	(440,220)
-	-	-
<u>6,232,572</u>	<u>5,404,866</u>	<u>827,706</u>

779,035	754,140	24,895
240,780	185,886	54,894
663,102	654,561	8,541
26,800	20,448	6,352
-	-	-
117,700	79,446	38,254
605,376	605,376	-
-	6,577,719	(6,577,719)
-	(6,577,719)	6,577,719
121,000	115,989	56,700
48,000	43,564	82,875
-	33,781	(33,781)
<u>2,601,793</u>	<u>2,493,191</u>	<u>238,730</u>

328,678	149,107	(179,571)
<u>(296,327)</u>	<u>89,396</u>	<u>(385,723)</u>
<u>\$ 32,351</u>	<u>\$ 238,503</u>	<u>\$ 206,152</u>

(338,093)	(5,333)	462,888
<u>(593,196)</u>	<u>(154,107)</u>	<u>439,089</u>
<u>\$ (931,289)</u>	<u>\$ (159,440)</u>	<u>\$ 901,977</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, 2010

	REFUSE			WASTEWATER		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues and other sources						
Charges for services	\$ 1,332,000	\$ 1,376,183	\$ 44,183	\$ 1,859,100	\$ 1,777,703	\$ (81,397)
Interest income	8,000	3,203	(4,797)	-	13	13
Other	1,000	13,472	12,472	6,125	11,049	4,924
Reimbursement of expenditures	40,986	27,611	(13,375)	600	198	(402)
Transfers from other funds	-	-	-	100,000	100,000	-
Total revenues and other sources	1,381,986	1,420,469	38,483	1,965,825	1,888,963	(76,862)
Expenditures and other uses						
Personal services	532,759	523,880	8,879	563,518	571,403	(7,885)
Contractual services	342,600	302,499	40,101	316,619	280,084	36,535
Materials and supplies	319,989	312,811	7,178	241,629	233,067	8,562
Other	1,120	823	297	650	637	13
Purchased power and fuel	-	-	-	-	-	-
Capital outlay	175,200	43,044	132,156	151,210	130,674	20,536
Debt service	42,512	42,512	-	625,583	566,234	59,349
Debt service - through GO bond refunding	-	-	-	-	-	-
GO bond refunding-budget credit	-	-	-	-	-	-
In lieu of franchise taxes	65,000	65,214	(214)	-	-	-
Transfers to other funds	-	100,000	(100,000)	-	-	-
Debt issuance cost	-	-	-	-	-	-
Total expenditures and other uses	1,479,180	1,390,783	88,397	1,899,209	1,782,099	117,110
Revenues and other sources over (under) expenditures and other uses	(97,194)	29,686	126,880	66,616	106,864	40,248
Unencumbered fund balance, January 1	453,368	583,368	130,000	(99,826)	(162,169)	(62,343)
Unencumbered fund balance, December 31	\$ 356,174	\$ 613,054	\$ 256,880	\$ (33,210)	\$ (55,305)	\$ (22,095)

STORMWATER DRAINAGE

<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
\$ 152,500	\$ 148,378	\$ (4,122)
2,500	1,341	(1,159)
-	-	-
-	-	-
-	-	-
<u>155,000</u>	<u>149,719</u>	<u>(5,281)</u>
-	-	-
51,200	1,261	49,939
59,350	55,937	3,413
-	-	-
-	-	-
-	-	-
97,849	100,962	(3,113)
-	515,364	(515,364)
-	(518,528)	518,528
-	-	-
20,000	20,000	-
-	3,359	(3,359)
<u>228,399</u>	<u>178,355</u>	<u>50,044</u>
(73,399)	(28,636)	44,763
<u>120,927</u>	<u>196,153</u>	<u>75,226</u>
<u>\$ 47,528</u>	<u>\$ 167,517</u>	<u>\$ 119,989</u>

QUAIL RIDGE GOLF COURSE

<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
\$ 561,500	\$ 471,608	\$ (89,892)
500	-	(500)
7,150	5,027	(2,123)
-	-	-
504,500	490,220	(14,280)
<u>1,073,650</u>	<u>966,855</u>	<u>(106,795)</u>
356,207	320,044	36,163
105,020	100,349	4,671
237,648	174,444	63,204
4,414	2,182	2,232
-	-	-
25,200	24,904	296
345,088	345,089	(1)
-	-	-
-	-	-
-	-	-
-	-	-
<u>1,073,577</u>	<u>967,012</u>	<u>106,565</u>
73	(157)	(230)
<u>12</u>	<u>163</u>	<u>151</u>
<u>\$ 85</u>	<u>\$ 6</u>	<u>\$ (79)</u>

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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. The City's workers' compensation program is a partially self-funded program covering substantially all full-time and part-time employees of the City. Funding 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 has insurance coverage for excess claims, which varies by employee positions.

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 partially pay employee health insurance premiums.

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

CITY OF WINFIELD, KANSAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET ASSETS DECEMBER 31, 2010

	Management Services	Operations Center	Accounts Receivable Financing
Assets			
Current assets			
Cash and temporary investments	\$ 78,799	\$ 28,116	\$ -
Utility billing receivables, net	13,135	-	53,931
Accounts receivable, net	4,140	-	-
Prepays	-	-	-
Inventories	19,472	97,210	-
Total current assets	115,546	125,326	53,931
Noncurrent assets			
Capital assets			
Land	-	6,500	-
Buildings and improvements	297,677	1,681,058	-
Improvements other than buildings	-	101,836	-
Machinery, equipment, other	1,303,039	413,312	-
Less accumulated depreciation	(1,086,612)	(969,936)	-
Net capital assets	514,104	1,232,770	-
Total assets	\$ 629,650	\$ 1,358,096	\$ 53,931
Liabilities			
Current liabilities			
Accounts and claims payable	\$ 60,207	\$ 28,089	\$ -
Interest payable	356	-	-
Current portion of compensated absences	94,139	11,603	-
Current portion of long term debt	16,677	-	-
Total current liabilities	171,379	39,692	-
Noncurrent liabilities			
Accrued compensated absences	107,955	-	-
Capital leases payable	17,307	-	-
Net OPEB obligation	33,033	5,281	-
Advances from other funds	-	70,000	53,931
Total noncurrent liabilities	158,295	75,281	53,931
Total liabilities	329,674	114,973	53,931
Net Assets			
Invested in capital assets	-	1,232,770	-
Invested in capital assets, net of related debt	480,121	-	-
Unrestricted (deficit)	(180,145)	10,353	-
Total net assets	\$ 299,976	\$ 1,243,123	\$ -

<u>Risk Management Reserve</u>	<u>Workers' Compensation Reserve</u>	<u>Health Insurance Reserve</u>	<u>Short-Term Disability Reserve</u>	<u>Total</u>
\$ 1,039,751	\$ 229,231	\$ 10,580	\$ 204,788	\$ 1,591,265
-	-	-	-	67,066
1,700	11,812	-	-	17,652
-	-	107,323	-	107,323
-	-	-	-	116,682
<u>1,041,451</u>	<u>241,043</u>	<u>117,903</u>	<u>204,788</u>	<u>1,899,988</u>
-	-	-	-	6,500
-	-	-	-	1,978,735
-	-	-	-	101,836
-	-	-	-	1,716,351
-	-	-	-	(2,056,548)
-	-	-	-	1,746,874
<u>\$ 1,041,451</u>	<u>\$ 241,043</u>	<u>\$ 117,903</u>	<u>\$ 204,788</u>	<u>\$ 3,646,862</u>
\$ 2,600	\$ 78,073	\$ -	\$ -	\$ 168,969
-	-	-	-	356
-	-	-	-	105,742
-	-	-	-	16,677
<u>2,600</u>	<u>78,073</u>	<u>-</u>	<u>-</u>	<u>291,744</u>
-	-	-	-	107,955
-	-	-	-	17,307
-	-	-	-	38,314
-	-	-	-	123,931
-	-	-	-	287,507
<u>2,600</u>	<u>78,073</u>	<u>-</u>	<u>-</u>	<u>579,251</u>
-	-	-	-	1,232,770
-	-	-	-	480,121
1,038,851	162,970	117,903	204,788	1,354,720
<u>\$ 1,038,851</u>	<u>\$ 162,970</u>	<u>\$ 117,903</u>	<u>\$ 204,788</u>	<u>\$ 3,067,611</u>

CITY OF WINFIELD, KANSAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2010

	Management Services	Operations Center	Accounts Receivable Financing
Operating revenues			
Charges for services	\$ 2,377,063	\$ 504,632	\$ -
Other	141,128	2,536	-
Total operating revenues	<u>2,518,191</u>	<u>507,168</u>	<u>-</u>
Operating expenses			
Administration	2,512,683	467,324	-
Claims	-	-	-
Depreciation	108,070	67,096	-
Total operating expenses	<u>2,620,753</u>	<u>534,420</u>	<u>-</u>
Operating income (loss)	<u>(102,562)</u>	<u>(27,252)</u>	<u>-</u>
Non-operating revenues (expenses)			
Other Income	-	775	-
Interest income	-	-	-
Interest Expense	(1,761)	-	-
Total non-operating revenues (expenses)	<u>(1,761)</u>	<u>775</u>	<u>-</u>
Net income (loss) before operating transfers	<u>(104,323)</u>	<u>(26,477)</u>	<u>-</u>
Transfers in - fixed assets	-	11,568	-
Net transfers	-	11,568	-
Change in net assets	<u>(104,323)</u>	<u>(14,909)</u>	<u>-</u>
Total net assets - beginning	279,977	\$ 1,237,784	\$ -
Restatement	<u>124,322</u>	<u>20,248</u>	<u>-</u>
Restated total net assets - beginning	<u>404,299</u>	<u>1,258,032</u>	<u>-</u>
Total net assets - ending	<u>\$ 299,976</u>	<u>\$ 1,243,123</u>	<u>\$ -</u>

<u>Risk Management Reserve</u>	<u>Workers' Compensation Reserve</u>	<u>Health Insurance Reserve</u>	<u>Short-Term Disability Reserve</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,881,695
223,428	81,277	1,304,956	-	1,753,325
<u>223,428</u>	<u>81,277</u>	<u>1,304,956</u>	<u>-</u>	<u>4,635,020</u>
38,495	38,813	1,448,478	-	4,505,793
295,949	155,171	-	-	451,120
-	-	-	-	175,166
<u>334,444</u>	<u>193,984</u>	<u>1,448,478</u>	<u>-</u>	<u>5,132,079</u>
<u>(111,016)</u>	<u>(112,707)</u>	<u>(143,522)</u>	<u>-</u>	<u>(497,059)</u>
-	-	-	-	775
4,807	1,061	379	911	7,158
-	-	-	-	(1,761)
<u>4,807</u>	<u>1,061</u>	<u>379</u>	<u>911</u>	<u>6,172</u>
<u>(106,209)</u>	<u>(111,646)</u>	<u>(143,143)</u>	<u>911</u>	<u>(490,887)</u>
-	-	-	-	11,568
-	-	-	-	11,568
<u>(106,209)</u>	<u>(111,646)</u>	<u>(143,143)</u>	<u>911</u>	<u>(479,319)</u>
\$ 1,145,060	\$ 274,616	\$ 261,046	\$ 203,877	3,402,360
-	-	-	-	144,570
<u>1,145,060</u>	<u>274,616</u>	<u>261,046</u>	<u>203,877</u>	<u>3,546,930</u>
<u>\$ 1,038,851</u>	<u>\$ 162,970</u>	<u>\$ 117,903</u>	<u>\$ 204,788</u>	<u>\$ 3,067,611</u>

CITY OF WINFIELD, KANSAS

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2010

	Management Services	Operations Center	Accounts Receivable Financing
Cash flows from operating activities			
Payments to suppliers	\$ (994,988)	\$ (217,596)	\$ -
Payments to employees	(1,453,567)	(249,563)	-
Payments of claims	-	-	-
Internal activity-receipts from other funds	2,377,063	504,632	-
Receipts from customers	-	-	23,132
Other receipts	140,757	2,536	-
Net cash provided (used) by operating activities	<u>69,265</u>	<u>40,009</u>	<u>23,132</u>
Cash flows from noncapital financing activities			
Transfers (to) from other funds	-	-	-
Advances (to) from other funds	-	-	(23,132)
Net cash used by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(23,132)</u>
Cash flows from capital and related financing activities			
Capital lease principal payments	(16,020)	-	-
Capital lease interest payments	(1,943)	-	-
Acquisition of capital assets	(19,174)	(48,359)	-
Proceeds from sale of capital assets	-	1,975	-
Net cash used by noncapital financing activities	<u>(37,137)</u>	<u>(46,384)</u>	<u>-</u>
Cash flows from investing activities			
Interest income	-	-	-
Net increase (decrease) in cash and cash equivalents	32,128	(6,375)	-
Balances - beginning of year	46,671	34,491	-
Balances - end of year	<u>\$ 78,799</u>	<u>\$ 28,116</u>	<u>\$ -</u>

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

Operating income (loss)	(102,562)	(27,252)	-
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	108,070	67,096	-
Changes in assets and liabilities:			
Receivables, net	(373)	-	23,132
Inventories	6,070	7,210	-
Compensated absences	27,311	(3,112)	-
Net OPEB obligations	15,578	2,438	-
Prepays	-	-	-
Accounts and other payables	15,171	(6,371)	-
Total adjustments	<u>171,827</u>	<u>67,261</u>	<u>23,132</u>
Net cash provided (used) by operating activities	<u>\$ 69,265</u>	<u>\$ 40,009</u>	<u>\$ 23,132</u>

Noncash Transactions

Capital asset transfers out	\$ -	\$ (11,568)	\$ -
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Risk Management Reserve	Workers' Compensation Reserve	Health Insurance Reserve	Short-Term Disability Reserve	Totals
\$ (38,495)	\$ (38,813)	\$ (1,450,145)	\$ -	\$ (2,740,037)
-	-	-	-	(1,703,130)
(293,698)	(87,165)	-	-	(380,863)
-	63,242	1,304,956	-	4,249,893
-	-	-	-	23,132
221,728	30,031	-	-	395,052
<u>(110,465)</u>	<u>(32,705)</u>	<u>(145,189)</u>	<u>-</u>	<u>(155,953)</u>
-	-	-	-	-
-	-	-	-	(23,132)
-	-	-	-	<u>(23,132)</u>
-	-	-	-	(16,020)
-	-	-	-	(1,943)
-	-	-	-	(67,533)
-	-	-	-	1,975
-	-	-	-	<u>(83,521)</u>
4,806	1,062	378	911	7,157
(105,659)	(31,643)	(144,811)	911	(255,449)
1,145,410	260,874	155,391	203,877	1,846,714
<u>\$ 1,039,751</u>	<u>\$ 229,231</u>	<u>\$ 10,580</u>	<u>\$ 204,788</u>	<u>\$ 1,591,265</u>
(111,016)	(112,707)	(143,522)	-	(497,059)
-	-	-	-	175,166
(1,700)	11,997	-	-	33,056
-	-	-	-	13,280
-	-	-	-	24,199
-	-	-	-	18,016
-	-	(1,667)	-	(1,667)
2,251	68,005	-	-	79,056
551	80,002	(1,667)	-	341,106
<u>\$ (110,465)</u>	<u>\$ (32,705)</u>	<u>\$ (145,189)</u>	<u>\$ -</u>	<u>\$ (155,953)</u>
\$ -	\$ -	\$ -	\$ -	\$ (11,568)

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, 2010

	MANAGEMENT SERVICES			OPERATIONS CENTER		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues and other sources						
Interfund contributions	\$ 2,430,658	\$ 2,377,063	\$ (53,595)	\$ 582,001	\$ 504,632	\$ (77,369)
Other	137,200	140,755	3,555	1,500	4,512	3,012
Reimbursement of expenditures	-	-	-	-	-	-
Total revenues and other sources	<u>2,567,858</u>	<u>2,517,818</u>	<u>(50,040)</u>	<u>583,501</u>	<u>509,144</u>	<u>(74,357)</u>
Expenditures and other uses						
Personal services	1,950,443	1,942,405	8,038	336,228	324,341	11,887
Contractual services	388,849	408,395	(19,546)	131,455	92,202	39,253
Materials and supplies	164,506	115,597	48,909	80,168	51,392	28,776
Other	14,700	14,337	363	650	693	(43)
Capital outlay	18,360	20,642	(2,282)	35,000	40,520	(5,520)
Transfers to other funds	30,000	-	30,000	-	-	-
Debt Service	-	17,963	(17,963)	-	-	-
Contingency	1,000	-	1,000	-	-	-
Total expenditures and other uses	<u>2,567,858</u>	<u>2,519,339</u>	<u>48,519</u>	<u>583,501</u>	<u>509,148</u>	<u>74,353</u>
Revenues and other sources over (under) expenditures and other uses	-	(1,521)	(1,521)	-	(4)	(4)
Unencumbered fund balance, January 1	-	\$ 1,593	1,593	-	33	33
Unencumbered fund balance, December 31	<u>\$ -</u>	<u>\$ 72</u>	<u>\$ 72</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ 29</u>

FIDUCIARY AND AGENCY FUNDS

Agency Funds

Claims – acts as a clearing account for all City checks written.

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

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

CITY OF WINFIELD, KANSAS

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED DECEMBER 31, 2010

	Balance January 1 2010	Additions	Deductions	Balance December 31 2010
Claims				
Assets: Cash and temporary investments	\$ 12,930	\$ 12,169,430	\$ 12,166,850	\$ 15,510
Liabilities: Accounts payable	\$ 12,930	\$ 12,169,430	\$ 12,166,850	\$ 15,510
Sales Tax				
Assets: Cash and temporary investments	\$ 70,915	\$ 715,093	\$ 731,381	\$ 54,627
Liabilities: Accounts payable	\$ 70,915	\$ 715,093	\$ 731,381	\$ 54,627
Fire Insurance Proceeds Escrow				
Assets: Cash and temporary investments	\$ 4,152	\$ 505	\$ 4,657	\$ -
Liabilities: Accounts payable	\$ 4,152	\$ 505	\$ 4,657	\$ -
Totals - All Agency Funds				
Assets: Cash and temporary investments	\$ 87,997	\$ 12,885,028	\$ 12,902,888	\$ 70,137
Liabilities: Accounts payable	\$ 83,845	\$ 12,884,523	\$ 12,898,231	\$ 70,137

CITY OF WINFIELD, KANSAS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY SOURCE DECEMBER 31, 2010

	<u>2010</u>
Governmental funds capital assets	
Land	\$ 1,900,214
Buildings	8,689,257
Improvements other than buildings	16,379,921
Machinery and equipment	8,112,114
Construction in progress	38,914
Total governmental funds capital assets	<u><u>\$ 35,120,420</u></u>
Investment in governmental funds capital assets by source:	
General fund	\$ 19,553,773
Special revenue funds	14,981,290
Construction project funds	38,914
Donations	<u>546,443</u>
Total governmental funds capital assets	<u><u>\$ 35,120,420</u></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 BY FUNCTION AND ACTIVITY DECEMBER 31, 2010

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction in Progress	Total
General government:						
Administrative/other	\$ 80,667	\$ 3,653,184	\$ 178,921	\$ 149,879	\$ -	\$ 4,062,651
Total general government	<u>80,667</u>	<u>3,653,184</u>	<u>178,921</u>	<u>149,879</u>	<u>-</u>	<u>4,062,651</u>
Public safety:						
Police	-	205,716	57,010	1,158,539	-	1,421,265
Fire	-	574,610	-	3,139,400	-	3,714,010
Public parking	171,124	-	31,497	27,286	-	229,907
Inspection	-	-	-	53,296	-	53,296
Total public safety	<u>171,124</u>	<u>780,326</u>	<u>88,507</u>	<u>4,378,521</u>	<u>-</u>	<u>5,418,478</u>
Highways and streets:	734,596	15,425	13,004,165	1,168,908	-	14,923,094
Culture and recreation	912,427	4,177,067	3,097,568	2,263,880	-	10,450,942
Cemetery	1,400	63,255	10,760	150,926	-	226,341
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,914</u>	<u>38,914</u>
Total governmental funds capital assets	<u>\$ 1,900,214</u>	<u>\$ 8,689,257</u>	<u>\$ 16,379,921</u>	<u>\$ 8,112,114</u>	<u>\$ 38,914</u>	<u>\$ 35,120,420</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, 2010

Function and Activity	Governmental Funds Capital Assets Jan 1, 2010	Additions	Deductions	Transfers	Governmental Funds Capital Assets Dec 31, 2010
General government:					
Attorney	\$ 3,279	\$ -	\$ -	\$ -	\$ 3,279
Other	4,058,385	987	-	-	4,059,372
Total general government	<u>4,061,664</u>	<u>987</u>	<u>-</u>	<u>-</u>	<u>4,062,651</u>
Public safety:					
Police	1,360,510	122,740	(61,985)	0	1,421,265
Fire	3,707,005	7,005	-	-	3,714,010
Public Parking	229,907	-	-	-	229,907
Inspection	53,296	-	-	-	53,296
Total public safety	<u>5,350,718</u>	<u>129,745</u>	<u>(61,985)</u>	<u>-</u>	<u>5,418,478</u>
Public works/streets	14,575,452	372,433	(15,291)	(9,500)	14,923,094
Culture and recreation	10,274,862	179,068	(13,283)	10,295	10,450,942
Cemetery	233,267	4,400	(11,326)	-	226,341
Under construction	<u>38,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,914</u>
Total governmental funds capital assets	<u>\$ 34,534,877</u>	<u>\$ 686,633</u>	<u>\$ (101,885)</u>	<u>\$ 795</u>	<u>\$ 35,120,420</u>

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

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT COMBINING STATEMENT OF NET ASSETS - BUSINESS TYPE ACTIVITY JUNE 30, 2010

WINFIELD HOUSING AUTHORITY

Assets

Current assets

Cash and temporary investments	\$ 297,603
Accounts receivable, net	111,816
Interest receivable	130
Prepays and materials inventory	19,235
Total current assets	<u>428,784</u>

Capital Assets:

Land	52,776
Buildings	2,642,208
Machinery, equipment, other	161,626
Construction in progress	337,641
Less accumulated depreciation	<u>(1,634,990)</u>
Net capital assets	<u>1,559,261</u>

Other assets

Utility deposits	<u>14,961</u>
Total other assets	<u>14,961</u>

Total assets 2,003,006

Liabilities

Current liabilities

Accounts payable	59,285
Accrued compensated absences	<u>6,052</u>

Total liabilities 65,337

Net Assets

Invested in capital assets	1,559,261
Restricted for capital projects	76,020
Unrestricted	<u>302,388</u>

Total net assets \$ 1,937,669

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - BUSINESS-TYPE COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED JUNE 30, 2010

WINFIELD HOUSING AUTHORITY

Operating revenues	
Rental income	\$ 202,524
Other	12,963
Total operating revenues	<u>215,487</u>
Operating expenses	
Services and supplies	197,402
Depreciation	70,046
Total operating expenses	<u>267,448</u>
Operating loss	<u>(51,961)</u>
Non-operating revenues (expenses)	
Interest income	4,429
HUD Capital Improvement Grants	73,129
Other	5,480
Total non-operating revenues (expenses)	<u>83,038</u>
Change in net assets	31,077
Total net assets - beginning	<u>1,906,592</u>
Total net assets - ending	<u>\$ 1,937,669</u>

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNITS COMBINING STATEMENT OF NET ASSETS - BUSINESS TYPE ACTIVITY DECEMBER 31, 2010

WINFIELD AREA EMERGENCY MEDICAL SERVICES (WAEMS)

Assets

Current assets

Cash and temporary investments	\$	34,367
Accounts receivable, net		59,531
Total current assets		<u>93,898</u>

Capital Assets:

Machinery, equipment		493,756
Less accumulated depreciation		(418,073)
Net capital assets		<u>75,683</u>

Total assets 169,581

Liabilities

Current liabilities

Accounts payable		51,110
Accrued compensated absences		28,174
		<u>79,284</u>

Total liabilities 79,284

Net Assets

Invested in capital assets		75,683
Unrestricted		14,614
		<u>90,297</u>

Total net assets \$ 90,297

CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - BUSINESS-TYPE COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2010

WINFIELD AREA EMERGENCY MEDICAL SERVICES (WAEMS)

Operating revenues

Charges for services	\$ 650,401
Other governmental contributions	275,474
Total operating revenues	<u>925,875</u>

Operating expenses

Services and supplies	930,363
Depreciation	<u>14,937</u>

Total operating expenses	<u>945,300</u>
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Operating loss	<u>(19,425)</u>
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Non-operating revenues (expenses)

Loss on sale of equipment	(500)
Interest income	108
Total non-operating revenues (expenses)	<u>(392)</u>

Change in net assets	(19,817)
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Total net assets - beginning	<u>110,114</u>
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Total net assets - ending	<u>\$ 90,297</u>
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CITY OF WINFIELD, KANSAS

NONMAJOR COMPONENT UNIT - GOVERNMENTAL TYPE COMBINING BALANCE SHEET DECEMBER 31, 2010

WINFIELD PUBLIC LIBRARY

Assets	
Cash and temporary investments	\$ 297,434
Total assets	<u>297,434</u>
Liabilities	
Accounts payable	13,075
Fund balance	<u>284,359</u>
Total liabilities and fund balance	<u>\$ 297,434</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, 2010

WINFIELD PUBLIC LIBRARY

Revenues

Property taxes	\$	492,861
Intergovernmental revenue		35,991
Fines and penalties		5,217
Interest income		3,979
Charges for services and sales		7,704
Other		8,177
Total revenues		<u>553,929</u>

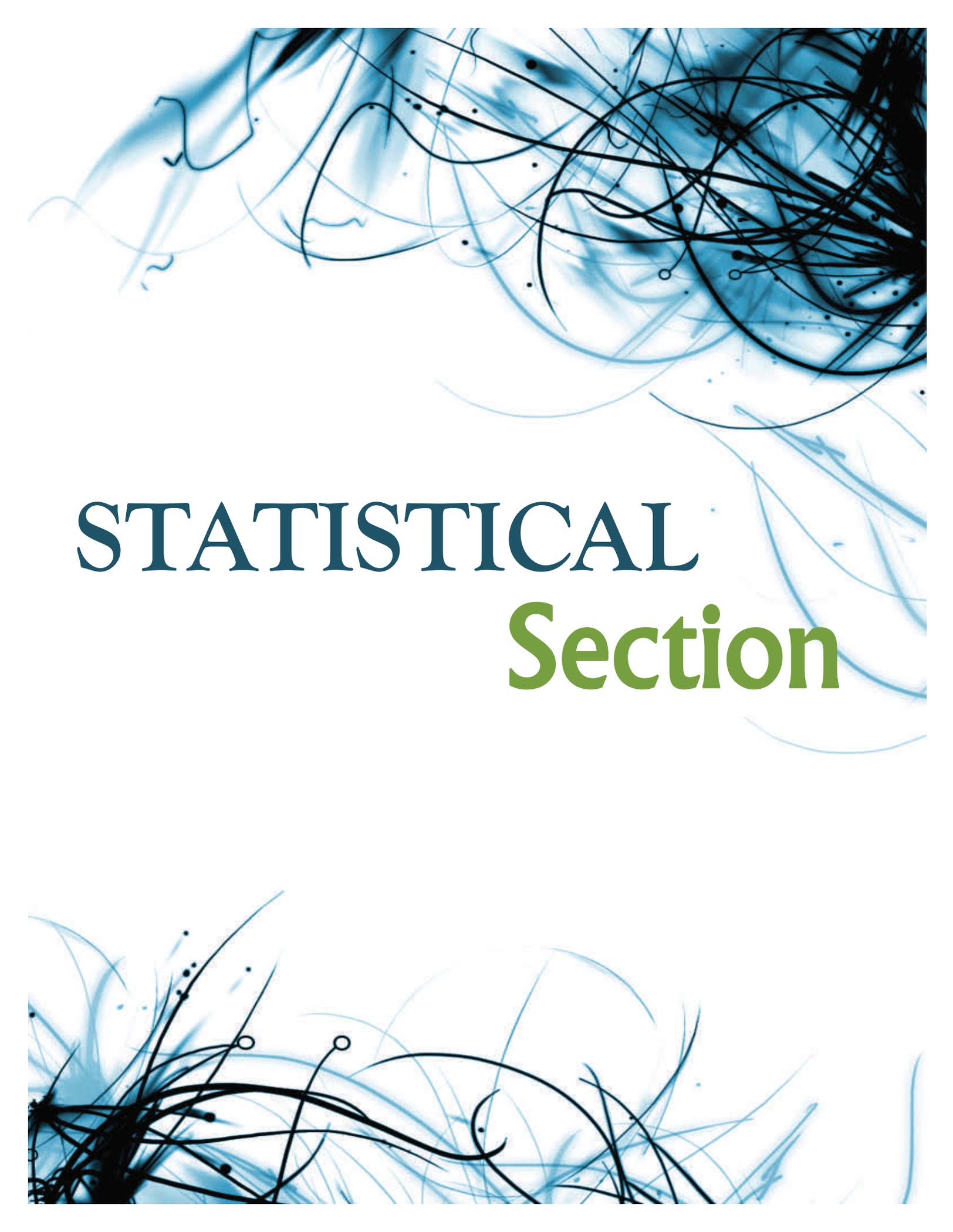
Expenditures

Culture and recreation:		
Personal services		300,160
Contractual services and materials		146,672
Capital outlay		67,747
Other		6,162
Debt service		18,625
Total expenditures		<u>539,366</u>

Excess (deficiency) of revenues over (under) expenditures 14,563

Fund balance, beginning of year 269,796

Fund balance, end of year \$ 284,359

The background of the page is a complex, abstract composition of thin, dark blue and black lines and dots. These elements are scattered across the white background, creating a sense of movement and depth. The lines vary in thickness and curvature, some forming loops or spirals, while others are straight and intersecting. Small dots are interspersed among the lines, some appearing as solid black circles and others as hollow white circles. The overall effect is reminiscent of a network diagram or a stylized representation of data points and connections.

STATISTICAL Section

STATISTICAL SECTION

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

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

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

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

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

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

City of Winfield, Kansas

Net Assets by Component, Last Eight Fiscal Years

(accrual basis of accounting)

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

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

Table 1

Fiscal Year				
2006	2007	2008	2009	2010
\$ 11,238,825	\$ 13,588,751	\$ 16,604,943	\$ 18,467,441	15,293,297
2,757,530	1,984,745	1,697,377	744,041	1,100,540
4,191,024	3,851,314	1,613,399	1,747,071	4,742,998
<u>\$ 18,187,379</u>	<u>\$ 19,424,810</u>	<u>\$ 19,915,719</u>	<u>\$ 20,958,553</u>	<u>21,136,835</u>
\$ 37,790,830	\$ 37,500,763	\$ 38,069,991	\$ 39,034,768	39,166,054
202,297	201,918	200,316	200,000	200,000
7,513,229	8,171,934	6,429,463	8,171,269	9,217,936
<u>\$ 45,506,356</u>	<u>\$ 45,874,615</u>	<u>\$ 44,699,770</u>	<u>\$ 47,406,037</u>	<u>48,583,990</u>
\$ 49,029,655	\$ 51,089,514	\$ 54,674,934	\$ 57,502,209	54,459,351
2,959,827	2,186,663	1,897,693	944,041	1,300,540
11,704,253	12,023,248	8,042,862	9,918,340	13,960,934
<u>\$ 63,693,735</u>	<u>\$ 65,299,425</u>	<u>\$ 64,615,489</u>	<u>\$ 68,364,590</u>	<u>69,720,825</u>

City of Winfield, Kansas

Changes in Net Assets, Last Eight Fiscal Years
(accrual basis of accounting)

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

Table 2

Fiscal Year			
2007	2008	2009	2010
\$ 1,037,652	\$ 1,007,890	\$ 1,136,384	\$ 1,412,631
3,961,982	4,799,553	4,363,022	4,486,349
1,475,426	1,750,265	1,511,058	1,391,930
158,684	163,789	142,764	164,665
1,802,510	2,157,393	1,405,506	1,910,251
1,080,507	313,261	353,557	333,945
148,996	175,827	165,271	148,777
558,877	525,663	483,691	500,300
<u>10,224,634</u>	<u>10,893,641</u>	<u>9,561,253</u>	<u>10,348,848</u>
21,790,211	25,974,432	20,755,104	21,076,677
5,602,811	6,249,824	4,565,950	4,433,654
2,383,522	2,461,897	2,443,606	2,318,531
1,250,860	1,305,321	1,231,637	1,200,127
1,965,895	1,900,444	1,730,487	1,865,241
848,813	939,736	881,196	813,684
<u>33,842,112</u>	<u>38,831,654</u>	<u>31,607,980</u>	<u>31,707,914</u>
<u>\$ 44,066,746</u>	<u>\$ 49,725,295</u>	<u>\$ 41,169,233</u>	<u>\$ 42,056,762</u>
\$ 339,026	\$ 403,991	\$ 401,180	\$ 369,320
196,713	213,522	244,913	223,217
152,488	157,989	168,703	149,339
31,275	43,285	51,560	53,860
442,341	479,106	520,190	544,552
816,546	188,322	189,415	189,856
517,649	469,169	484,355	641,420
29,610	2,247,932	594,320	13,286
<u>2,525,648</u>	<u>4,203,316</u>	<u>2,654,636</u>	<u>2,184,850</u>
23,993,402	24,141,325	24,760,069	21,669,445
5,804,699	6,586,008	5,501,142	5,455,036
2,163,925	2,053,763	2,040,831	2,134,745
1,408,661	1,468,186	1,379,395	1,401,131
1,497,631	1,645,841	1,672,416	1,809,506
506,487	510,225	508,703	468,167
572,037	456,579	199,131	798,405
<u>35,946,842</u>	<u>36,861,927</u>	<u>36,061,687</u>	<u>33,736,435</u>
<u>\$ 38,472,490</u>	<u>\$ 41,065,243</u>	<u>\$ 38,716,323</u>	<u>\$ 35,921,285</u>

City of Winfield, Kansas

Changes in Net Assets, Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Net (Expenses)/Revenue				
Governmental activities	\$ (6,114,750)	\$ (6,685,157)	\$ (6,972,366)	\$ (6,169,240)
Business-type activities	3,731,275	2,330,347	633,070	2,457,506
Total primary government net expense	<u>\$ (2,383,475)</u>	<u>\$ (4,354,810)</u>	<u>\$ (6,339,296)</u>	<u>\$ (3,711,734)</u>
General Revenues and Other Changes in Net Assets				
<i>Governmental activities:</i>				
Taxes				
Property taxes	\$ 2,997,374	\$ 3,126,752	\$ 3,105,420	\$ 3,313,225
Sales taxes	1,379,400	1,542,114	1,514,594	1,602,854
Franchise taxes	132,719	188,149	221,656	221,379
Other taxes	141,005	127,551	131,823	136,585
Payments in lieu of taxes	1,560,510	1,566,880	1,815,685	2,033,593
Investment earnings	127,150	85,195	115,247	211,789
Miscellaneous	338,863	130,604	(18,886)	146,328
Special items	-	-	-	-
Transfers	(321,036)	(76,950)	(410,948)	(65,699)
Total governmental activities	<u>6,355,985</u>	<u>6,690,295</u>	<u>6,474,591</u>	<u>7,600,054</u>
<i>Business-type activities</i>				
Investment earnings	210,595	170,268	245,094	280,672
Miscellaneous	(700,740)	-	61,868	32,857
In lieu of franchise fees	(1,560,510)	(1,566,880)	(1,815,685)	(2,033,593)
Transfers	321,036	76,950	410,948	65,699
Total business-type activities	<u>(1,729,619)</u>	<u>(1,319,662)</u>	<u>(1,097,775)</u>	<u>(1,654,365)</u>
Total primary government	<u>\$ 4,626,366</u>	<u>\$ 5,370,633</u>	<u>\$ 5,376,816</u>	<u>\$ 5,945,689</u>
Change in Net Assets				
Governmental activities	\$ 241,235	\$ 5,138	\$ (497,775)	\$ 1,430,814
Business-type activities	2,001,656	1,010,685	(464,705)	803,141
Total primary government	<u>\$ 2,242,891</u>	<u>\$ 1,015,823</u>	<u>\$ (962,480)</u>	<u>\$ 2,233,955</u>

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

Table 2

Fiscal Year			
2007	2008	2009	2010
\$ (7,698,986)	\$ (6,690,325)	\$ (6,906,617)	\$ (8,163,998)
2,104,730	(1,969,727)	4,453,707	2,028,521
<u>\$ (5,594,256)</u>	<u>\$ (8,660,052)</u>	<u>\$ (2,452,910)</u>	<u>\$ (6,135,477)</u>
\$ 3,563,739	\$ 3,613,367	\$ 3,946,608	\$ 3,995,278
1,653,458	1,796,192	1,642,867	1,650,437
224,057	232,233	208,506	217,851
136,946	119,667	117,440	127,883
2,132,120	2,209,504	2,097,169	1,987,491
239,348	159,269	67,920	21,433
207,280	68,148	107,661	44,392
-	1,976,607	-	-
(25,781)	(693,327)	(238,720)	(29,652)
<u>8,131,167</u>	<u>9,481,660</u>	<u>7,949,451</u>	<u>8,015,113</u>
369,868	230,619	111,009	36,195
-	-	-	-
(2,132,120)	(2,209,504)	(2,097,169)	(1,987,491)
25,781	693,327	238,720	29,652
<u>(1,736,471)</u>	<u>(1,285,558)</u>	<u>(1,747,440)</u>	<u>(1,921,644)</u>
<u>\$ 6,394,696</u>	<u>\$ 8,196,102</u>	<u>\$ 6,202,011</u>	<u>\$ 6,093,469</u>
\$ 432,181	\$ 2,791,335	\$ 1,042,834	\$ (148,885)
368,259	(3,255,285)	2,706,267	106,877
<u>\$ 800,440</u>	<u>\$ (463,950)</u>	<u>\$ 3,749,101</u>	<u>\$ (42,008)</u>

City of Winfield, Kansas

Program Revenues by Function/Program, Last Eight Fiscal Years

(accrual basis of accounting)

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

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

Table 3

Program Revenues			
2007	2008	2009	2010
\$ 391,329	\$ 403,991	\$ 401,205	\$ 369,320
204,980	341,770	299,786	223,217
625,167	2,684,476	653,058	149,339
31,275	43,285	52,160	53,860
456,351	541,472	1,059,012	544,552
816,546	188,322	189,415	189,856
<u>2,525,648</u>	<u>4,203,316</u>	<u>2,654,636</u>	<u>1,530,144</u>
24,414,753	24,483,928	24,942,711	21,669,445
5,825,189	6,608,856	5,506,348	5,455,036
2,194,318	2,092,727	2,052,114	2,134,745
1,408,661	1,468,186	1,379,395	1,401,131
1,597,434	1,698,005	1,672,416	1,809,506
506,487	510,225	508,703	468,167
<u>35,946,842</u>	<u>36,861,927</u>	<u>36,061,687</u>	<u>32,938,030</u>
<u>\$ 38,472,490</u>	<u>\$ 41,065,243</u>	<u>\$ 38,716,323</u>	<u>\$ 34,468,174</u>

City of Winfield, Kansas

Fund Balances, Governmental Funds, Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General fund				
Reserved	\$ 132,420	\$ 158,592	\$ 33,340	\$ 37,848
Unreserved	<u>622,637</u>	<u>667,910</u>	<u>604,905</u>	<u>389,343</u>
Total general fund	<u><u>\$ 755,057</u></u>	<u><u>\$ 826,502</u></u>	<u><u>\$ 638,245</u></u>	<u><u>\$ 427,191</u></u>
 All other governmental funds				
Reserved	\$ 651,145	\$ 1,172,354	\$ 693,518	\$ 642,062
Unreserved, reported in:				
Capital project funds	1,129,036	205,718	703,983	469,499
Special revenue funds	2,824,736	2,247,553	2,043,023	2,242,289
Permanent funds	6,000	6,000	6,000	6,000
Debt service funds	<u>255,074</u>	<u>301,751</u>	<u>238,485</u>	<u>97,734</u>
Total all other governmental funds	<u><u>\$ 4,865,991</u></u>	<u><u>\$ 3,933,376</u></u>	<u><u>\$ 3,685,009</u></u>	<u><u>\$ 3,457,584</u></u>

Table 4

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 20,265	\$ 20,265	\$ 20,845	\$ 41,336	\$ 24,847	\$ 28,911
<u>261,816</u>	<u>328,229</u>	<u>502,481</u>	<u>331,883</u>	<u>336,688</u>	<u>226,205</u>
<u><u>\$ 282,081</u></u>	<u><u>\$ 348,494</u></u>	<u><u>\$ 523,326</u></u>	<u><u>\$ 373,219</u></u>	<u><u>\$ 361,535</u></u>	<u><u>\$ 255,116</u></u>
\$ 603,974	\$ 1,077,822	\$ 1,113,485	\$ 812,756	\$ 517,816	\$ 322,885
459,651	732,733	(201,894)	41,825	(716,253)	(42,980)
1,761,955	1,720,792	1,463,104	1,449,307	1,548,805	1,365,334
6,000	6,000	6,000	6,000	6,000	6,000
<u>-</u>	<u>-</u>	<u>133</u>	<u>455</u>	<u>190,846</u>	<u>131,214</u>
<u><u>\$ 2,831,580</u></u>	<u><u>\$ 3,537,347</u></u>	<u><u>\$ 2,380,828</u></u>	<u><u>\$ 2,310,343</u></u>	<u><u>\$ 1,547,214</u></u>	<u><u>\$ 1,782,453</u></u>

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

	Fiscal Year			
	2001	2002	2003	2004
Revenues				
Property taxes	\$ 2,985,564	\$ 3,012,211	\$ 2,997,374	\$ 3,126,752
Sales taxes	1,377,205	1,392,752	1,379,400	1,542,114
Intergovernmental revenue	1,290,222	1,313,125	1,358,166	1,125,975
Charges for services	896,255	955,399	1,125,606	1,139,145
Franchise taxes	149,917	150,832	141,005	188,149
Special assessments	241,614	169,549	147,444	165,447
Fines and penalties	156,111	166,004	158,459	159,399
Licenses, fees, and permits	7,128	8,345	28,279	26,451
Investment earnings	325,548	167,801	127,332	89,192
Other revenues	359,158	206,902	220,135	146,413
Total revenues	7,788,722	7,542,920	7,683,200	7,709,037
Expenditures				
General government	794,071	882,102	964,763	1,059,035
Employee benefits [1]	763,684	812,755	-	-
Public safety	2,495,235	2,647,989	3,154,017	3,319,716
Public works/streets	1,104,022	772,363	1,150,330	2,091,819
Cemetery	123,683	92,489	119,332	131,695
Culture and recreation	1,123,204	1,285,622	1,336,361	1,530,375
Health and welfare	598,667	835,153	724,297	840,016
Economic development	149,727	146,171	167,920	498,892
Debt service:				
Debt principal payments	968,000	930,400	1,033,354	1,189,256
Debt interest payments	469,051	500,019	399,214	482,977
Temporary note principal pymts	-	-	-	-
Temporary note interest pymts	-	-	-	-
Discount on temporary note	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay	1,356,098	1,696,947	3,819,259	220,272
Total expenditures	9,945,442	10,602,010	12,868,847	11,364,053
Excess of revenues over (under) expenditures	(2,156,720)	(3,059,090)	(5,185,647)	(3,655,016)
Other Financing				
Sources (Uses)				
Transfers in	1,666,118	1,783,193	1,753,715	1,965,650
Transfers out	(1,440,055)	(1,573,192)	(1,809,390)	(1,908,495)
Transfers in - Pymts in lieu of franchise fees	1,194,195	1,302,919	1,560,510	1,566,880
Issuance of temporary notes	-	-	-	1,195,000
Issuance of bonds	460,000	3,770,000	3,191,950	-
Issuance of KDOT debt	-	-	-	-
Issuance of capital lease	-	-	92,417	271,080
Payments to escrow agent	-	(3,085,000)	(481,950)	-
Advance payments of specials	-	-	-	-
Insurance recoveries	-	-	-	-
Capital lease proceeds	-	-	-	-
KDOT loan proceeds	-	-	-	-
Debt issuance costs	-	-	-	-
G.O. refunding bond proceeds	-	-	-	-
G.O. refunding bond premium	-	-	-	-
Sales of property	-	-	87,853	118,221
Total other financing sources (uses)	1,880,258	2,197,920	4,395,105	3,208,336
Net change in fund balances	\$ (276,462)	\$ (861,170)	\$ (790,542)	\$ (446,680)
Debt service as a percentage of noncapital expenditures	16.4%	16.6%	15.8%	17.2%

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

Table 5

		Fiscal Year									
		2005	2006	2007	2008	2009	2010				
\$	3,105,420	\$	3,313,225	\$	3,563,739	\$	3,613,367	\$	3,946,608	\$	3,995,277
	1,514,594		1,602,854		1,653,458		1,796,192		1,642,867		1,650,437
	1,063,211		1,114,731		1,059,395		1,228,607		1,130,876		1,209,844
	1,193,830		1,304,633		1,327,286		661,048		625,933		646,006
	221,656		221,379		224,057		232,233		208,506		217,851
	108,304		116,141		175,857		168,392		163,672		206,224
	152,098		181,605		177,248		176,362		160,454		132,875
	23,816		26,695		23,943		56,228		57,929		49,586
	109,012		161,710		177,237		122,941		54,327		16,513
	254,032		85,864		158,596		201,090		351,214		166,438
	<u>7,745,973</u>		<u>8,128,837</u>		<u>8,540,816</u>		<u>8,256,460</u>		<u>8,342,386</u>		<u>8,291,051</u>
	712,127		969,761		1,008,833		993,000		1,033,537		1,052,806
	-		-		-		-		-		-
	3,603,633		4,778,405		3,915,641		4,556,668		4,310,118		4,362,464
	971,878		2,061,131		2,493,546		2,685,567		1,427,589		1,008,716
	142,741		136,395		148,326		152,279		140,513		163,761
	1,670,885		1,493,300		1,589,068		1,729,654		2,171,340		1,778,099
	1,132,670		923,021		1,037,528		313,261		353,557		333,945
	206,180		136,956		155,244		175,827		165,271		148,777
	2,434,725		2,224,784		1,570,117		1,466,001		1,242,033		1,328,559
	452,675		348,301		452,344		363,499		466,280		482,537
	-		-		-		5,280,000		-		-
	-		-		-		168,106		-		-
	-		-		-		8,040		-		-
	-		-		-		41,686		-		-
	701,290		1,856,253		236,480		305,879		555,840		362,291
	<u>12,028,804</u>		<u>14,928,307</u>		<u>12,607,127</u>		<u>18,239,467</u>		<u>11,866,078</u>		<u>11,021,955</u>
	<u>(4,282,831)</u>		<u>(6,799,470)</u>		<u>(4,066,311)</u>		<u>(9,983,007)</u>		<u>(3,523,692)</u>		<u>(2,730,904)</u>
	2,022,142		2,092,366		2,222,154		2,138,437		1,958,394		2,086,218
	(1,843,397)		(2,036,628)		(2,180,162)		(2,049,767)		(1,983,495)		(2,101,654)
	1,815,684		2,033,593		2,132,120		2,209,504		2,097,169		1,987,491
	755,000		2,326,594		-		2,945,000		-		-
	3,015,000		1,115,000		-		4,525,000		-		-
	-		800,000		659,701		-		-		-
	-		1,231,360		-		-		-		-
	(2,130,000)		-		-		-		-		(1,144,247)
	-		-		-		162,174		-		-
	-		-		-		-		429,781		-
	-		-		-		-		227,844		-
	-		-		-		-		-		630,970
	-		-		-		-		-		(18,798)
	-		-		-		-		-		1,398,246
	-		-		-		-		-		18,898
	47,095		9,364		250,810		-		19,186		2,600
	<u>3,681,524</u>		<u>7,571,649</u>		<u>3,084,623</u>		<u>9,930,348</u>		<u>2,748,879</u>		<u>2,859,724</u>
\$	<u>(601,307)</u>	\$	<u>772,179</u>	\$	<u>(981,688)</u>	\$	<u>(52,659)</u>	\$	<u>(774,813)</u>	\$	<u>128,820</u>
	25.2%		22.3%		18.9%		12.0%		17.9%		17.5%

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
2001	41,838	10,329	1,657	9,767	63,591	47.308	478,019	13.30%
2002	44,901	13,923	1,742	10,165	70,731	47.175	508,997	13.90%
2003	46,522	13,669	1,694	10,178	72,063	47.281	445,311	16.18%
2004	46,697	9,622	1,657	10,286	68,262	47.107	527,998	12.93%
2005	49,812	10,858	1,620	10,255	72,545	47.010	454,766	15.95%
2006	50,824	10,172	1,856	10,150	73,002	51.184	468,263	15.59%
2007	53,474	11,277	1,795	10,468	77,014	50.471	485,868	15.85%
2008	55,940	7,697	1,652	10,421	75,710	52.640	485,765	15.59%
2009	56,560	7,446	1,663	10,083	75,752	54.552	478,410	15.83%
2010	56,166	6,855	1,733	9,731	74,485	56.746	475,007	15.68%

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)

Table 7

Year	Basic Rate	General Obligation Debt Svce	Total Direct Rate	Overlapping Rates				
				USD 465	State of Kansas	Community College	Area Voc Tech School	Cowley County
2001	35.476	11.296	46.772	54.451	1.500	16.936	-	32.270
2002	36.502	10.673	47.175	53.487	1.500	17.627	-	32.073
2003	36.620	10.661	47.281	56.358	1.500	17.561	-	32.491
2004	36.487	10.620	47.107	55.957	1.500	17.423	-	34.797
2005	35.685	11.325	47.010	56.239	1.500	18.425	-	36.754
2006	40.778	10.406	51.184	58.327	1.500	18.595	-	39.035
2007	40.487	9.984	50.471	56.222	1.500	19.932	-	40.876
2008	40.893	11.747	52.640	60.679	1.500	19.976	-	42.270
2009	45.363	9.189	54.552	59.346	1.500	20.226	-	42.064
2010	47.096	9.650	56.746	62.251	1.500	20.219	-	43.036

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 owner within the City of Winfield.

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

Table 8

Taxpayer	2010			2001		
	Assessed Valuation [1]	Rank	Percentage of Total City Taxable Assessed Value [a]		Rank	Percentage of Total City Taxable Assessed Value [a]
Newell Rubbermaid	\$ 5,783,708	1	8.93%	\$ 7,148,403	1	13.28%
Walmart	2,460,315	2	3.80%	375,825	5	0.70%
Winfield Economic Development, Inc	1,170,785	3	1.81%	963,018	2	1.79%
General Electric Company [2]	735,619	4	1.14%			
Philco Inns	667,652	5	1.03%	364,175	7	0.68%
Union Pacific Railroad	663,781	6	1.03%			
Dillons	653,575	7	1.01%	446,925	5	0.83%
The State Bank [3]	543,538	8	0.84%			
Southwestern Bell	542,358	9	0.84%	907,175	3	1.69%
Calmar	454,430	10	0.70%			
Galaxy Tool	446,218	11	0.69%	526,347	4	0.98%

[a] excludes motor vehicle valuation

[1] includes valuation within City of Winfield only

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

[3] The State Bank merged with Union State Bank in 2007

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		Collected for Prior Years [a]	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 2,530,011	\$ 2,399,431	94.84%	\$ 57,082	\$ 2,456,513	97.09%
2002	2,543,972	2,486,412	97.74%	35,273	2,521,685	99.12%
2003	2,857,163	2,567,732	89.87%	30,174	2,597,906	90.93%
2004	2,925,990	2,672,634	91.34%	87,855	2,760,489	94.34%
2005	2,730,930	2,661,557	97.46%	14,635	2,676,192	98.00%
2006	2,928,070	2,774,735	94.76%	74,639	2,849,374	97.31%
2007	3,224,850	3,066,776	95.10%	26,246	3,093,022	95.91%
2008	3,361,313	3,093,973	92.05%	65,273	3,159,246	93.99%
2009	3,439,637	3,390,612	98.57%	102,419	3,493,031	101.55%
2010	3,532,435	3,462,827	98.03%	44,123	3,506,950	99.28%

Source: Cowley County Clerk and County Treasurer's office

[a] Prior years' property taxes that were collected in current year

City of Winfield, Kansas

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

Table 10

Governmental Activities							
Year	General Obligation Bonds	Sales Tax Revenue Bonds	Temporary Notes	KDOT Loan	Contractual Debt	Certificates of Parti- cipation	Capital Leases
2001	\$ 7,745	\$ 1,300	\$ -	\$ -	\$ -	\$ -	\$ 842
2002	8,285	790	-	-	-	-	615
2003	10,185	690	-	-	297	482	101
2004	9,205	590	1,195	-	266	412	334
2005	9,235	485	755	-	234	333	283
2006	9,365	375	2,335	800	201	253	1,219
2007	8,300	260	2,335	1,389	169	171	911
2008	11,730	145	-	1,232	136	87	827
2009	10,870	25	-	1,702	104	-	992
2010	11,552	-	-	71	72	-	831

Business-type Activities								
Year	General Obligation Bonds	Utility Revenue Bonds	KDHE Loans	Certificates of Parti- cipation	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2001	\$ -	\$ 1,795	\$ 8,387	\$ -	\$ 3,999	\$24,068	3.1%	\$ 1,972
2002	-	1,185	8,696	-	4,849	24,420	3.0%	2,009
2003	-	605	8,673	3,123	1,089	25,245	2.9%	2,101
2004	-	-	13,047	2,808	762	28,619	3.3%	2,382
2005	-	-	13,397	2,437	10	27,169	3.1%	2,286
2006	-	-	12,898	2,057	-	29,503	2.9%	2,513
2007	-	-	12,242	1,669	-	27,446	2.5%	2,379
2008	-	-	11,563	1,273	-	26,993	2.6%	2,348
2009	-	-	10,911	860	106	25,570	2.3%	2,294
2010	6,618	-	3,937	445	58	23,584	2.1%	1,917

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

See Table 15 for personal income and per capita data

City of Winfield, Kansas

Ratio of General Bonded Debt Outstanding, Last Ten Fiscal Years

(dollars in thousands, except per capita)

Table 11

Year	General Bonded Debt Outstanding [c]			Total	Percentage of Actual Taxable Value of Property [a]	Per Capita [b]
	General Obligation Bonds	Temporary Notes	KDOT GO Debt			
2001	\$ 7,745	\$ -	\$ -	\$ 7,745	1.62%	\$ 635
2002	8,285	-	-	8,285	1.63%	681
2003	10,185	-	-	10,185	2.29%	848
2004	9,205	1,195	-	10,400	1.97%	866
2005	9,235	755	-	9,990	2.20%	840
2006	9,365	2,335	-	11,700	2.50%	997
2007	8,300	2,335	7	10,642	2.19%	922
2008	11,730	-	1,232	12,962	2.67%	1,127
2009	10,870	-	1,072	11,942	2.50%	1,071
2010 [d]	18,170	-	71	18,241	3.84%	1,483

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

[a] See T-6 for property value data

[b] Population data can be found in Table 15

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

[d] Includes \$6,618,000 of GO debt, that is being repaid from water revenues.

City of Winfield, Kansas

**Direct and Overlapping Governmental Activities Debt
As of December 31, 2010**

(dollars in thousands)

Jurisdiction	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Estimated Percentage Applicable to City of Winfield</u>	<u>Amount Applicable to City of Winfield</u>
Direct:			
[a] City of Winfield	<u>\$ 11,552</u>	100.00%	<u>\$ 11,552</u>
Overlapping:			
USD #465	<u>\$ 19,655</u>	76.26%	<u>\$ 14,989</u>
Cowley County	<u>6,845</u>	30.20%	<u>2,067</u>
Total Overlapping Debt	<u>26,500</u>		<u>17,056</u>
Total direct and overlapping debt	<u><u>\$ 38,052</u></u>		<u><u>\$ 28,608</u></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.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city.
This schedule estimates the portion of the outstanding debt of those overlapping governments.

City of Winfield, Kansas

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

Table 13

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit [1]	\$19,077	\$21,219	\$21,619	\$20,479	\$21,764	\$21,901	\$23,104	\$22,713	\$22,726	\$22,346
Total debt subject to full faith, credit of city	16,132	16,596	18,528	23,447	23,387	25,398	24,267	24,525	22,853	22,178
Less self- supporting debt [2]	<u>(8,387)</u>	<u>(8,696)</u>	<u>(8,673)</u>	<u>(13,047)</u>	<u>(13,397)</u>	<u>(12,898)</u>	<u>(12,242)</u>	<u>(11,563)</u>	<u>(10,911)</u>	<u>(10,555)</u>
Total net debt applicable to limit	<u>7,745</u>	<u>7,900</u>	<u>9,855</u>	<u>10,400</u>	<u>9,990</u>	<u>12,500</u>	<u>12,025</u>	<u>12,962</u>	<u>11,942</u>	<u>11,623</u>
Legal debt margin	<u>\$11,332</u>	<u>\$13,319</u>	<u>\$11,764</u>	<u>\$10,079</u>	<u>\$11,774</u>	<u>\$ 9,401</u>	<u>\$11,079</u>	<u>\$ 9,751</u>	<u>\$10,784</u>	<u>\$10,723</u>
Total net debt applicable to the limit as a percentage of debt limit	40.60%	37.23%	45.59%	50.78%	45.90%	57.08%	52.05%	57.07%	52.55%	52.01%

[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						
Year	Utility Service Charges	Less: Operating Expenses [1]	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2001	\$ 17,082	\$ 15,227	\$ 1,855	\$ 1,022	\$ 134	1.60
2002	17,071	14,097	2,974	566	138	4.22
2003	18,139	14,410	3,729	951	147	3.40
2004	17,981	15,883	2,098	982	107	1.93
2005	19,824	19,393	431	812	51	0.50
2006	22,984	22,692	292	80	15	3.07
2007	23,993	22,256	1,737	82	13	18.28
2008	24,141	26,231	(2,090)	84	12	(21.77)
2009	24,760	21,093	3,667	87	8	38.60
2010	21,669	20,964	705	90	5	7.42

Water Revenue Bonds and KDHE Debt						
Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2001	\$ 1,462	\$ 1,226	\$ 236	\$ 100	\$ 22	1.93
2002	1,359	1,423	(64)	65	2	(0.96)
2003	1,452	1,433	19	77	95	0.11
2004	1,821	1,418	403	80	93	2.33
2005	2,160	1,708	452	84	88	2.63
2006	2,293	1,187	1,106	303	306	1.82
2007	2,164	1,764	400	301	305	0.66
2008	2,054	1,810	244	317	289	0.40
2009	2,041	1,819	222	329	276	0.37
2010	2,135	1,741	394	342	263	0.65

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

City of Winfield, Kansas

Pledged-Revenue Coverage, Last Ten Fiscal Years

(dollars in thousands)

Table 14 (cont.)

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

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

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

City of Winfield, Kansas

Pledged-Revenue Coverage, Last Ten Fiscal Years

(dollars in thousands)

Table 14 (continued)

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

Sales Tax Revenue Bonds [2]				
Year	Sales Tax Collections	Debt Service		Coverage
		Principal	Interest	
2001	\$ 1,377	\$ 75	\$ 48	11.20
2002	1,393	80	45	11.14
2003	1,379	100	19	11.59
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

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	Less:	Net	Debt Service			
	Revenue	Operating	Available	Principal	Interest		
	Collections	Expenses [1]	Revenue				
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	

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

City of Winfield, Kansas

Demographic and Economic Statistics, Last Ten Fiscal Years

Table 15

Year	Population [1]	Personal Income [1] <i>(thousands of dollars)</i>	Per Capita Personal Income [1]	School Enrollment [2]	Unemployment Rate [3]
2001	12,206	\$ 765,356	\$ 24,227	2,814	3.9%
2002	12,158	808,719	23,952	2,790	7.0%
2003	12,016	866,419	24,740	2,514	6.3%
2004	12,016	864,007	26,049	2,470	6.5%
2005	11,886	873,042	27,429	2,411	5.8%
2006	11,741	1,016,576	29,731	2,403	4.7%
2007	11,539	1,081,637	31,634	2,384	3.4%
2008	11,497	1,051,005	32,229	2,434	5.4%
2009	11,148	1,126,122	33,482	2,475	6.8%
2010	12,301	1,126,122	33,482	2,536	7.1%

[1] Provided by Kansas University Institute for Policy and Social Research and U.S. Bureau of Economic Analysis. 2010 information not available as of publication date

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

[3] Kansas Department of Human Resources, Cowley First

City of Winfield, Kansas

Principal Employers, Current Year and Nine Years Ago

Table 16

Employer	2010			2001		
	Estimated Employees	Rank	Percentage of Total County Employment	Estimated Employees	Rank	Percentage of Total County Employment
U.S. D. #465	770	1	4.53%	680	3	4.00%
General Electric Co	740	2	4.35%	920	1	5.41%
Creekstone Farms Premium Beef	720	3	4.24%	N/A		
Newell-Rubbermaid	565	4	3.32%	750	2	4.41%
U.S. D. #470	463	5	2.72%	460	4	2.71%
William Newton Memorial Hospital	325	6	1.91%	223	6	1.31%
Calmar, Inc (MeadWestVaco)	315	7	1.85%	225	5	N/A
Kan-Pak	208	8	1.22%	N/A		
Southwestern College	195	9	1.15%	188	7	1.11%
Cowley College	190	10	1.12%	120	11	0.71%
City of Winfield	184	11	1.08%	186	8	1.09%
Cowley County	153	12	0.90%	127	10	N/A
Winfield Correctional Facility	150	13	0.88%	110	12	0.65%
City of Arkansas City	147	14	0.86%	128	9	0.75%

Source: Kansas Department of Commerce and respective employer representatives

The City of Winfield is located approximately twelve miles from the city of Arkansas City, Kansas (population approx. 12,000). Both cities are located in Cowley County, and many employees 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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General government										
Management services	18	18	19	15	15	14	14	14	13	13
Legal/court	1	1	1	1	1	2	2	2	2	2
Utility billing	6	6	7	6	6	7	7	7	7	7
Engineering	8	9	8	9	8	8	8	8	8	8
Service and operations center	7	6	6	10	10	10	10	9	9	9
Public safety										
Fire	20	20	20	20	20	20	20	20	20	20
Police	28	29	26	27	29	29	30	28	31	32
Public works/stormwater	8	8	8	7	8	7	7	6	6	6
Cemetery	2	2	2	2	2	2	2	2	2	2
Culture and recreation	9	9	10	10	9	9	9	9	9	9
Health and welfare						-				
Economic development						-				
Electric	31	33	31	31	31	31	29	29	28	29
Gas	13	13	13	13	13	12	12	11	11	10
Water	11	11	11	12	12	12	12	12	13	12
Refuse	11	11	11	10	11	11	11	10	10	10
Wastewater	9	9	8	8	8	9	8	8	8	8
Golf course	4	4	4	4	3	4	4	4	4	4
Total	<u>186</u>	<u>189</u>	<u>185</u>	<u>185</u>	<u>186</u>	<u>187</u>	<u>185</u>	<u>179</u>	<u>181</u>	<u>181</u>

Source: City records

City of Winfield, Kansas

Operating Indicators by Function/Program, Last Ten Fiscal Years

Table 18

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General government										
Building permits issued	153	185	182	204	192	212	185	254	309	381
Municipal court cases	1,770	1,510	1,349	1,437	1,381	1,409	1,456	1,418	1,141	908
Police										
Class I Offenses	671	710	797	750	908	856	1,016	799	630	610
Domestic Violence/DUI/Drug Arrest	300	244	227	254	292	245	330	301	327	385
Accidents	444	466	451	405	423	354	494	395	408	362
Fire										
Total responses	1,500	1,624	1,377	1,283	1,441	1,491	1,582	1,530	1,481	1,682
Parks and recreation										
Aquatic center attendance	20,500	20,085	28,276	19,605	21,163	22,344	18,885	18,466	19,931	20,618
Annual lake permits	N/A	N/A	N/A	2,142	2,200	2,285	1,929	1,851	2,315	3,088
Cemetery										
Cemetery spaces sold	79	81	60	39	73	82	41	61	85	62
Streets maintenance										
Resurfacing, annual in tons	N/A	9,379	6,196	1,648	4,460	4,617	4,940	1,343	1,965	4,556
Electric utility										
MWH sold, annual	266,505	277,717	287,160	276,534	276,206	295,879	322,231	306,588	259,957	281,210
Peak daily consumption, MWH	63,800	62,913	63,391	58,596	61,900	66,700	68,700	66,000	59,420	61,132
Gas Utility										
MCF sold, annual	724,785	693,486	704,883	637,359	604,736	546,357	574,357	636,285	576,264	582,502
Water Utility										
Gallons sold, annual, in thousands	882,559	736,246	782,415	752,735	701,406	785,958	691,838	647,747	661,432	688,586
Refuse (annual tons, in thousands)										
Refuse collected	9,230	8,187	8,976	9,150	8,926	8,700	8,375	8,142	7,883	8,170
Recyclables collected	779	950	1,103	1,106	1,069	1,166	1,185	1,241	1,176	1,174
Wastewater Utility										
Sewage treatment, avg daily flow (in thousands of gallons)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500

Sources: City departments

N/A not available from city records

City of Winfield, Kansas

Capital Asset Statistics by Function, Last Ten Fiscal Years

Table 19

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units (marked)	17	17	17	17	17	17	17	17	17	17
Fire stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (miles)	130	130	130	130	130	130	130	130	130	130
Parks and recreation										
Public park acreage	294	294	294	294	294	294	294	294	294	294
Base/softball diamonds	4	4	4	5	5	5	5	5	5	5
Soccer fields	3	3	3	6	6	6	6	6	6	6
Football fields	1	1	1	1	1	1	1	1	1	1
Electric Utility										
Electric lines (miles) [1]	N/A	N/A	N/A	N/A	N/A	N/A	114	114	114	114
Gas Utility										
Gas main lines (miles) [1]	N/A	N/A	N/A	N/A	N/A	N/A	95	95	95	95
Water Utility										
Water main lines (miles) [1]	N/A	N/A	N/A	N/A	N/A	N/A	95	95	95	95
Fire hydrants [1]	N/A	N/A	N/A	N/A	N/A	N/A	535	535	535	535
Storage capacity (thousands)	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
Refuse										
Collection trucks	5	5	5	5	5	5	5	5	5	5
Wastewater										
Sanitary sewer (miles)	N/A	N/A	N/A	N/A	N/A	N/A	71	71	71	71
Treatment capacity (thousands, per day)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

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

N/A not available from city records

CITY OF WINFIELD, KANSAS
SCHEDULE OF INSURANCE COVERAGES
December 31, 2010

<u>Insurance Company</u>	<u>Policy Period</u>		<u>Type</u>	<u>Coverage</u>	<u>Premium</u>	<u>Coverage</u>		<u>Deductible</u>
	<u>From</u>	<u>To</u>				<u>Amount</u>	<u>Aggregate</u>	
Safety National Casualty Corp.	9/25/2010	9/25/2011	Workers' Compensation	All City Employees Employers' liability limit	\$86,298.00	\$ Statutory	\$ 1,421,546	350,000
Employers Mututal	4/1/2010	4/1/2011	Property-Replacement Cost	Building/contents, 90% coins. Lights, 90% coins. Island Park Playground Golf course (bus. income), 50% coins. Golf course Peak Season 80% Replacement Cost Extra exp, per location	\$148,679.00 \$1,743.00 \$11,083.00 \$722.00 \$253.00 \$2,873.00	60,406,051 509,473 606,000 200,000 250,000		1,000 1,000 1,000 1,000
Employers Mutual	4/1/2010	4/1/2011	Property-E 12th & W.14th Power Plants	E. 12th Power Plant W. 14th Power Plant Contents	\$55,112.00	36,434,532 10,466,985 50,000 ea loc.		5,000
Employers Mututal	4/1/2010	4/1/2011	Auto liability - all City rolling stock	Liability and U.M. Specified perils Comprehensive Collision Hired/borrowed vehicles Endorsements	\$35,092.00 \$2,215.00 \$11,311.00 \$16,231.00 \$421.00 \$803.00	500,000		100 250 500 100/500 Varies
Federal Ins. Co - Chubb	9/22/2010	9/22/2011	Boiler and machinery	Blanket	\$75,954.00	47,001,517		varies
Employers Mututal	4/1/2010	4/1/2011	General liability	Each occurrence limit Products completed	\$62,329.00	500,000 500,000	1,000,000 1,000,000	500
Employers Mutual	4/1/2010	4/1/2011	Employee benefits	Benefits	In w/Liability	500,000	500,000	1,000
United States Liability Ins. Co.	9/22/2010	9/22/2011	Public officials liability	Each wrongful act- Winfield Housing Auth.	\$1,320.00	1,000,000	1,000,000	5,000
Employers Mutual	4/1/2010	4/1/2011	Public officials liability	Linebacker - Directors & Officers	\$12,523.00	1,000,000	1,000,000	3,000
Employers Mutual	4/1/2010	4/1/2011	Public officials liability	Linebacker - Law Enforcement	\$14,032.00	1,000,000	2,000,000	2,500
Hartford Fire Insurance Co.	5/5/2010	5/5/2011	Animal Mortality	Police Dog Canine - Kessy	\$842.00	\$10,600.00		
Employers Mutual	11/1/2010	11/1/2011	Public officials bond	City treasurer	\$300.00	100,000		
Employers Mutual	4/1/2010	4/1/2011	Government Crime	Employee Theft	\$1,316.00	100,000		500
American Bankers Ins Co. of Florida	4/17/2010	4/17/2011	Flood	Grandstands	\$4,918.00	500,000		4,000
Employers Mutual	4/1/2010	4/1/2011	Contractors equip Property Property Floater	Contractors equipment Telephone system Golf Cars, Mowers	\$12,662.00 \$564.00 \$2,739.00	2,335,593 94,000 249,030		1,000 500/5,000 1,000
Employers Mutual	4/1/2010	4/1/2011	General liability Auto liability Linebacker	Rural Fire Dist #7	\$250.00 \$89.00 \$1,695.00	500,000 500,000 1,000,000	500,000 500,000 1,000,000	- - 1,500

Source: City records