

CITY OF WINCHESTER, KANSAS

REGULATORY BASIS FINANCIAL STATEMENTS
For the year ended December 31, 2012

And

INDEPENDENT AUDITOR'S REPORT

...*KL*...

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Certified Public Accountants

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CITY OF WINCHESTER, KANSAS

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Karlin & Long, LLC
Certified Public Accountants

The Honorable Mayor and City Council
P.O. Box 123
Winchester, Kansas 66097-0123

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Winchester, Kansas ("Municipality") as of and for the year ended December 31, 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Lecompton to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Lecompton as of December 31, 2012, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinion on the 2012 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2012 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and

other records used to prepare the 2012 basic financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or to the 2012 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note 1.

A handwritten signature in cursive script that reads "Karlin & Long, LLC". The signature is written in dark ink and is positioned above the printed name of the firm.

Karlin & Long, LLC
Certified Public Accountants

Lenexa, KS
September 30, 2013

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Funds							
General	\$ 50,181	0	\$ 165,933	\$ 195,479	\$ 20,635	0	\$ 20,635
Special Purpose Funds							
Library	0	0	11,119	11,000	119	0	119
Special highway	25,724	0	14,628	877	39,475	0	39,475
Wastewater grant	3,799	0	1,078,024	944,892	136,931	0	136,931
CDBG Housing Recapture	22,992	0	0	0	22,992	0	22,992
Sidewalk capital improvement	51,299	0	53,187	0	104,486	0	104,486
Building and Maintenance Equipm	0	0	24,749	0	24,749	0	24,749
Police car equipment reserve	9,579	0	2,000	0	11,579	0	11,579
Water/Sewer Utility reserve	82,718	0	165,689	89,759	158,648	0	158,648
Business Funds:							
Water and Sewer Utility	57,304	0	215,358	229,445	43,217	0	43,217
Total Reporting Entity	\$ 303,596	0	\$ 1,730,687	\$ 1,471,452	\$ 562,831	0	\$ 562,831

Composition of Cash	Amount
Checking Accounts	\$ 500,234
Savings Accounts	58,942
Petty Cash	300
Municipal Investment Pool	3,355
Certificates of Deposit	
Total Reporting Entity	\$ 562,831

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

CITY OF WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Winchester is a municipal corporation governed by an elected six member council. The City as an entity has been defined to include, on a combined basis, (a) the City of Winchester, Kansas (b) organizations for which the City of Winchester, Kansas is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the City of Winchester, Kansas are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City's component units, the Winchester Housing Authority and the Winchester Public Library, have not been presented in these financial statements.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the City for the year 2012:

Governmental Funds

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

Special Purpose Funds - Used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long term debt) that are intended for specified purposes.

Capital Project Fund – used for account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Funds – funds financed in whole or in part by fees charged to users for goods or services (i.e. enterprise and internal service fund ect.)

CITY OF WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

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

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

Discretely Presented Component Unit

The city has two component units, the housing authority and the public library. These financial statements exclude the financial data of the discretely presented component units since the city does not appoint a majority of the board members. The component units are therefore reported separately to emphasize that it is legally separate from the City.

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

CITY OF WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenues other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. No budgets amendments were noted for the current year.

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

All legal annual operating budgets are prepared using the modified accrual basis of accounting. Revenues are recognized when measurable and available to finance current year expenditures. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds and the following special revenue funds: 1) Wastewater Grant, 2) Sidewalk Capital

CITY OF WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

Improvement fund, 3) CDBG Housing Recapture Fund, 4) Police Car Equipment Reserve Fund, and 5) Water/Sewer Utility Reserve Fund.

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

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

NOTE 2 – Deposits and Investments

As of December 31, 2012, the City has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	\$ 3,355	S&P AAAF/SLT

K.S.A. 9-1401 establishes the depositories which may be used by the government. The statute requires banks eligible to hold the government's funds have a main or branch bank in the county in which the government is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the government's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The government has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

CITY OF WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (Continued)

Custodial Credit Risk – Deposits

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

At December 31, 2012, the government's carrying amount of deposits was \$ 562,831 and the bank balance was \$ 581,766. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions' agents in the government's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 – Defined Benefit Pension Plan

Plan Description – The City of Winchester, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas; Topeka, KS 66603) 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. 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 contributions rate be determined annually based on the results of an annual actuarial valuation. KPERS are funded on

CITY OF WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Defined Benefit Pension Plan (Continued)

an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established by statute for 2012 was 7.74%. The City of Winchester, Kansas employer contributions to KPERS for the years ended December 31, 2012, 2011, and 2010, were \$ 6,778, \$ 7,278, and \$5,679, respectively, equal to the statutory required contributions for each year.

NOTE 4 – Risk Management

The City is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 5 – Compliance with Kansas Statutes

We noted no violations of Kansas Statutes for the period under audit

NOTE 6 – Compensated Absences

Sick leave is available at the rate of one day per month. The maximum amount of sick leave is 60 days. Accrued sick leave is not paid upon termination. Vacation leave is available for full time employees and is based on the number of years of service. One week of vacation is available after one year of service. Two weeks of vacation are available after two years of service. After three years of service, one day per year is added to the two weeks earned. The maximum amount of vacation available is three weeks per year. Payment is made to terminated employees for unused vacation leave. The city has not computed or recorded this potential liability.

NOTE 7 – Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
Water/Sewer	Reserve Fund	12-825-d	\$ 42,000
General	Police Car Reserve	12-1,117	2,000
General	Sidewalk Capital Fund	12-1,118	53,187
General	Building and Maint Reserve	12-1,118	21,049

CITY OF WINCHESTER, KANSAS

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Other Post Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

NOTE 9 – Subsequent Events Review

Subsequent events for management's review have been evaluated through September 30, 2013. The date in the prior sentence is the date the financial statements were available to be issued.

NOTE 10 – Long Term Debt

The schedule of long term debt and current maturities for the next five years is detailed in the following schedule.

CITY OF WINCHESTER, KANSAS
Statement of Changes in Long-Term Debt
For the Year Ended December 31, 2012

Note 10 - Long Term Debt

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/Payments	Net Change	Balance End of Year	Interest Paid	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028-2032	2033-2037	2038-2042	2043-2047	2048-2052	Total	
General Obligation Bonds																								
2012 Issue	2.75%	6/7/12	\$ 582,000	6/7/52	\$ 0	\$ 582,000	\$ 0	\$ 582,000	\$ 582,000	\$ -														
KDHE Loans:																								
KDHE Revolving Loan	3.44%	10/24/97	210,500	3/1/18	109,609		15,323	(15,323)	94,286	3,375														
KDHE Revolving Loan	2.32%	9/22/05	383,026	3/1/18	534,240		28,510	(28,510)	505,730	12,179														
Total Long Term Debt					\$ 643,849	\$ 582,000	\$ 43,833	\$ 538,167	\$ 1,182,016	\$ 15,554														
Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:																								
Principal																								
General Obligation Bond	\$ 8,166	\$ 8,391	\$ 8,622	\$ 8,859	\$ 9,102	\$ 49,408	\$ 56,584	\$ 64,804	\$ 74,220	\$ 85,002														
Special Assessment Bonds																								
Certificates of Participation																								
Capital Leases																								
Revenue Bonds																								
KDHE Loans	44,969	46,156	47,376	48,629	49,915	181,171	181,800																	
Temporary Notes																								
Total Principal	53,135	54,547	55,998	57,488	59,017	230,579	238,384	64,804	74,220	85,002														
Interest																								
General Obligation Bond	16,005	15,780	15,550	15,313	15,069	71,450	64,272	56,053	46,636	35,855														
Special Assessment Bonds																								
Certificates of Participation																								
Capital Leases																								
Revenue Bonds																								
KDHE Loans	14,438	13,251	12,031	10,779	9,493	32,364	11,153																	
Temporary Notes																								
Total Interest	30,443	29,031	27,581	26,092	24,562	103,814	75,425	56,053	46,636	35,855														
Total Principal and Interest	\$ 83,578	\$ 83,578	\$ 83,579	\$ 83,580	\$ 83,579	\$ 334,393	\$ 313,809	\$ 120,857	\$ 120,856	\$ 120,857														

City of Winchester, Kansas

Regulatory-Required

Supplementary Information

For the year ended December 31, 2012

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

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	\$ 210,950	\$ 0	\$ 0	\$ 210,950	\$ 195,479	\$ (15,471)
Special Purpose Funds						
Library	11,000	0	0	11,000	11,000	0
Special highway	24,500	0	0	24,500	877	(23,623)
Business Funds						
Water/Sewer utility	244,400	0	0	244,400	229,445	(14,955)

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

CITY OF WINCHESTER, KANSAS
GENERAL FUND
Schedule Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 85,261	\$ 89,558	\$ (4,297)
Delinquent tax	5,636	0	5,636
Motor vehicle tax	13,433	13,559	(126)
RV tax	251	98	153
16/20M vehicle tax	72	105	(33)
Franchise fees	28,870	35,500	(6,630)
Sales tax	23,067	23,000	67
Licenses, rent, permits	1,211	2,900	(1,689)
Tags/Fines/Community center	2,502	4,450	(1,948)
Interest income	397		397
Miscellaneous revenues	5,233		5,233
Operating transfers			0
	<u>165,933</u>	<u>169,170</u>	<u>(3,237)</u>
EXPENDITURES			
Personnel services	27,949	43,000	(15,051)
Law enforcement	17,532	20,000	(2,468)
Employee benefit	13,029	15,000	(1,971)
Lease purchase payments			0
Repairs/Operating/Office expenses	12,440	6,700	5,740
Professional services	11,453	13,000	(1,547)
Telephone/electricity	11,901	15,000	(3,099)
Streets/Sidewalks	1,813	55,000	(53,187)
Insurance	13,756	13,750	6
Parks/Community center	7,009	12,000	(4,991)
Auto/Publications/Misc.	3,674	9,500	(5,826)
Training	687	1,000	(313)
Capital outlay		7,000	(7,000)
Operating transfers	74,236		74,236
Adjustment for qualifying budget credits			0
	<u>195,479</u>	<u>\$ 210,950</u>	<u>\$ (15,471)</u>
Receipts Over (Under) Expenditures	(29,546)		
Unencumbered Cash, Beginning	50,181		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 20,635</u>		

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

CITY OF WINCHESTER, KANSAS
LIBRARY FUND
Schedule Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 9,112	\$ 9,571	\$ (459)
Delinquent tax	580		580
Motor vehicle tax	1,394	1,408	(14)
RV tax	26	10	16
16/20M vehicle tax	7	11	(4)
Federal grants			0
State aid/grants			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>11,119</u>	<u>11,000</u>	<u>119</u>
EXPENDITURES			
Appropriation	11,000	11,000	0
Capital outlay			0
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>11,000</u>	<u>\$ 11,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	119		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 119</u>		

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

CITY OF WINCHESTER, KANSAS
SPECIAL HIGHWAY FUND
Schedule Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Intergovernmental revenues	\$ 14,209	\$ 15,260	\$ (1,051)
Interest income			0
Miscellaneous revenues	419		419
Operating transfers			0
	<u>14,628</u>	<u>15,260</u>	<u>(632)</u>
EXPENDITURES			
General government			0
Highways and streets			
Personnel services			0
Commodities	877	1,500	(623)
Contractual		23,000	(23,000)
Capital outlay			0
Operating transfers			0
Adjustment for qualifying budget credits			0
	<u>877</u>	<u>\$ 24,500</u>	<u>\$ (23,623)</u>
Receipts Over (Under) Expenditures	13,751		
Unencumbered Cash, Beginning	25,724		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 39,475</u>		

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

CITY OF WINCHESTER, KANSAS
WATER/SEWER UTILITY FUND
Schedule Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Charges for services	\$ 215,295	\$ 224,500	\$ (9,205)
Interest income	63		63
Miscellaneous revenues			0
Operating transfers			0
	<u>215,358</u>	<u>224,500</u>	<u>(9,142)</u>
EXPENDITURES			
Production			
Personnel services	60,034	63,000	(2,966)
Commodities	23,829	41,900	(18,071)
Contractual	15,028	4,500	10,528
Refuse collection	27,591	29,000	(1,409)
Capital outlay			0
Debt service	60,963	64,000	(3,037)
Operating transfers	42,000	42,000	0
Adjustment for qualifying budget credits			0
	<u>229,445</u>	<u>\$ 244,400</u>	<u>\$ (14,955)</u>
Receipts Over (Under) Expenditures	(14,087)		
Unencumbered Cash, Beginning	57,304		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 43,217</u>		

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

CITY OF WINCHESTER, KANSAS
 ANY NONBUDGETED FUNDS
 Schedule Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012

	Wastewater Grant	CDBG Housing Recapture	Sidewalk Capital Improvement
CASH RECEIPTS			
Federal grants	\$ 496,024	\$	\$
State aid/grants			
City appropriation			
Charges for services			
Interest income			
Bond Proceeds	582,000		
Operating transfers			53,187
	1,078,024	0	53,187
EXPENDITURES			
Operations			
Personnel services			
Commodities			
Contractual			
Capital outlay	944,892		
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	944,892	0	0
Receipts Over (Under) Expenditures	133,132	0	53,187
Unencumbered Cash, Beginning	3,799	22,992	51,299
Prior Year Cancelled Encumbrances	0	0	0
Unencumbered Cash, Ending	\$ 136,931	\$ 22,992	\$ 104,486

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CITY OF WINCHESTER, KANSAS
 ANY NONBUDGETED FUNDS
 Schedule Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2012

	Building and Maintenance Equipment Reserve	Police Car Equipment Reserve	Water/Sewer Utility Reserve
CASH RECEIPTS			
Federal grants	\$	\$	\$ 123,689
State aid/grants			
City appropriation			
Charges for services			
Interest income			
Miscellaneous revenues	3,700		
Operating transfers	<u>21,049</u>	<u>2,000</u>	<u>42,000</u>
Total Cash Receipts	<u>24,749</u>	<u>2,000</u>	<u>165,689</u>
EXPENDITURES			
Operations			
Personnel services			
Commodities			
Contractual			
Capital outlay			89,759
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
Total Expenditures	<u>0</u>	<u>0</u>	<u>89,759</u>
Receipts Over (Under) Expenditures	24,749	2,000	75,930
Unencumbered Cash, Beginning	0	9,579	82,718
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 24,749</u>	<u>\$ 11,579</u>	<u>\$ 158,648</u>

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