

August 2, 2017

WINCHESTER SPECIAL COUNCIL MEETING

The special meeting of the audit for the Winchester City Council was held at 6:15 p.m. on August 2, 2017 at City Hall. The meeting was called to order by Mayor Rex McIntire, with the following council members present: Freddie Andrews, Ron Bell, Lawrence Coultas, Randy Fisher, Steve Hoots, Bill Jacquot, and City Clerk, Brenda Robinson.

Also in attendance were: Amy Brown, City Treasurer; John Coonrod, City Attorney; John Paul Coonrod, Barb Hoots, Deputy Clerk and Cynthia Foote, Zumbahlen, Eyth, Surratt, Foote & Flynn, LTD.

Cindy Foote, Zumbahlen, Eyth, Surratt, Foote & Flynn, LTD went over the audit with council. She showed council a snapshot of funds. As of April 30, 2017 the city had a balance of Total Assets of \$8,445,226. Total Liabilities are \$3,038,539 (less was paid out this year.) Capital Assets are \$4,030,654. Total Net Position is \$5,406,687, which is \$21,000 greater than last year.

In the **Enterprise Funds** the operating funds in Waterworks & Sewage is \$727,033, which is \$3,000 less than last year. Operating funds for Gas is \$378,259, which is \$9,000 less than last year. The gas purchased was \$213,913, up \$37,000 from last year.

Statement of Activities –Modified Cash Basis – Change in Net Position there was a \$29,689 loss in Governmental Funds. Last year was \$105,000. In the Water, Sewer & Gas funds there was \$199,554 profit due to the \$489,000 grant. The total of change in net position is \$229,243. The Net Position-Ending is \$5,406,687, an increase of \$105,000 from last year.

The Business Type Activities in the Enterprise Fund, the Water & Sewer Fund was \$342,934 about the same as last year. The Gas Utility Fund was \$176,301, which is down \$35,000 from last year.

The Modified Cash Basis – Business Type Activities – Enterprise Fund are: Operating funds for water & sewer \$727,033, which is \$3,000 less than last year. Total expenses in water & sewer was \$676,803, which is \$13,000 greater than last year. There was debt forgiveness of \$226,287. Total profit was \$254,744. There was the grant of \$446,000 in there last year. Gas fund was \$378,259 for services, which is \$9,000 less than last year. Total expenses were \$433,890, \$49,000 greater than last year. Repairs & maintenance were up \$13,000. Gas purchased was \$213,913, up \$37,000 from last year. Engineering cost was down \$3,500 and a loss of \$55,190 with a \$3,000 profit last year.

Cash Flow chart showed a profit of \$1,343 dollars in Water & Sewer fund. Gas fund had a loss of \$34,586. If you spent the same way in water and sewer you would have enough money to operate for 4 months compared to last year which was 2½ years. Gas fund has a 5 month surplus compared to 6½ months prior year.

IMRF – the City’s contribution rate for calendar year 2016 was 20.99%. The City’s contribution was \$95,246. As of December 31, 2015 total pension liability was \$3,676,636. Net fiduciary net position is \$2,827,699. Net Pension Liability is \$848,937.

At year-end the carrying amount of the City’s deposit was \$1,376,033 and the bank balance was \$1,385,818. \$743,023 of the bank balances were covered by FDIC and \$642,795 is listed as having specific pledged collateral.

Long-term Debt – Governmental Activities beginning balance for the salt shed and police car are \$61,883, ending balance at April 30, 2107 was \$53,698. Salt shed is due to be paid off this next year. Business-Type Activities beginning balance for 5 EPA loans were \$3,185,386 ending balance as of April 30, 2017 was \$2,984,841.

Restricted funds – The cemetery has a reserve of \$170,280 recorded in the permanent fund. The balance of \$17,796 is temporarily reserved in the permanent fund and is available for transfer to the General Fund to cover cemetery expenditures. At April 30, 2017, the TIF Fund is restricted for Tax Increment Redevelopment Project Area established by City Ordinances in the amount of \$15,917. Motor Fuel Tax Fund is restricted for Transportation and Public Works in the amount of \$85,929. The General Fund has a restricted fund of \$92,641.

General Fund Combining Balance Sheet – Modified Cash Basis: Cash in the General Fund is \$37,000 greater than last year. The **Fire Department Fund** cash is up about \$18,000 from last year, **Public Library Fund** cash is about the same as last year, the **Swimming Pool Fund** cash is up \$1,000 and the **IMRF and Social Security Fund** cash is up \$9,000.

Revenue & Expenditures Fund: Fire Department Fund Revenue - \$41,851- that is \$4,000 less than prior year because donations were down. Expenditures were \$23,881 down \$4,000 from prior year. Profit is around \$18,000 about the same as prior year.

Public Library Fund Revenue is \$28,562 which is \$1,600 greater than the prior year. Donations are up. Total expenditures were \$76,330 up \$28,000 from the prior year, because of painting, tuck-pointing, electricity and shelving. There was a loss of \$768. Last year there was a \$9,000 profit.

Swimming Pool Fund Revenue is \$33,404, \$2,000 greater than prior year, all in admissions; Expenditures are \$40,000 which is \$17,000 less than prior year. The reason is the last loan payment was made last year. There is a \$1,000 profit compared to a \$300 loss the prior year.

IMRF and Social Security Fund Revenue is up \$6,000 all in taxes, with expenditures up \$2,000 for a \$9,000 profit and a \$5,000 profit from the prior year.

General Fund Revenue is \$657,722 that is \$17,000 less than the prior year due to the State Income tax payments being down. There were 12 payments last year but were down. Sales tax is up \$2,000, Telecommunication Tax is down \$7,000, so where we are down is the state payments.

Charges for service is up \$8,000 due to increase sales of cemetery lots. Total expenditures in the general fund is \$563,839, which is up \$26,000 from the prior year. There is a profit of \$36,919 in the General Fund this year compared to a \$81,000 profit the prior year.

General Fund Schedule of Actual Expenditures: Expenditures were up \$35,000; Insurance was down \$8,000; Professional Services were up \$6,000, due to Affordable Housing, Windsor Project and extra expense to keep post office open; other general funds were down \$8,000, a reimbursement that was coded the prior year; Public Safety salaries were up \$9,000; Fire Department Insurance was up \$5,205, due to reallocation of funds; Transportation and Public Works salaries were up \$5,000; Benefits were up \$23,000; Street Lighting was down \$3,000; repairs and maintenance were down \$8,000; Library – Operating expenses were up \$19,000 and supplies were up \$5,000; Pool chemicals were down \$3,000; cemetery – salaries & benefits were down \$25,000 and repairs and maintenance were up \$22,000 for contracting out mowing; general supplies were down \$3,000.

Non Major Funds – MFT Cash Funds is down \$24,000 this year, spent quite a bit on streets; Permanent funds (cemetery) is the same; TIF Funds is \$15,917. MFT funds revenue was about the same and expenditures were \$64,000 which was \$29,000 more so ended up with a \$24,000 loss. The Permanent funds (cemetery) has a loss of \$1,845, transfer money out to help with expenses; and the TIF was the same as \$15,917.

Equalized Assessed Valuations Tax Levies – From 2014 – 2015 equalized assessed valuation went up 2% and from 2015 - 2016 equalized assessed values went up 4.5%. In 2016 you will be collecting \$225,315 in taxes and in 2015 you collected \$226,173.

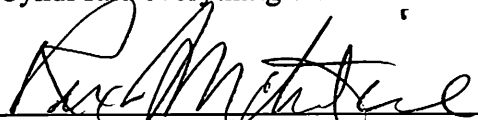
Went over pie charts for governmental fund types-revenue - \$888,313 all funds except water, sewer and gas. Sales tax is 25.9%; Property tax is 25.5%; State income tax is 17.1%.

All governmental fund types – expenditures = \$833,933 all expenditures except water, sewer and gas. Transportation/public (streets) works is 27.3%; Public safety is 26.7%; General control and administration is 21.8%; Culture & recreation (pool and library) is 15.7%.

Proprietary Funds - Operating Expenses (water, sewer and gas) - \$1,110,693. Salaries and employee benefits is 36.2%; Depreciation is 20.2%; Gas purchased is 19.3%; maintenance is 8.5%.

The only comment was segregation of duties for the office, it would be cost prohibitive; it was not recommended. Freddie Andrews asked about taking the money from TIF to pay back general fund for setting up the TIF district.

Cyndi said everything else was fine and all the books were in order.


Rex McIntire, Mayor


Brenda Robinson, City Clerk