

CITY OF PHILLIPSBURG

Phillipsburg, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2014

MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas 67661

CITY OF PHILLIPSBURG

For the Year Ended December 31, 2014

Fred Robinson, Mayor

City Council

Linda Flipse
Rod Innes
Shane Kinter

Lynette Voorhees
Donna Speake
Mike James

City Offices

Brenda Chance
Kelly Vanderplas

City Clerk
City Treasurer

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

For the Year Ended December 31, 2014

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CITY OF PHILLIPSBURG
Phillipsburg, Kansas

For the Year Ended December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Phillipsburg, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Phillipsburg, Kansas, a Municipal Financial Reporting Entity as of and for the year ended December 31, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the 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 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement.

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 Phillipsburg, Kansas 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.

Mayor and City Council
City of Phillipsburg, Kansas
July 20, 2015
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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 Phillipsburg, Kansas as of December 31, 2014, 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 Phillipsburg, Kansas, as of December 31, 2014, 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 an opinion on the 2014 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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and disbursements – agency funds, and schedule of regulatory basis receipts and expenditures-actual-related municipal entity (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2014 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The Water and Sewer Utility Allocation and Equipment Reserve Allocation (Schedules 5 and 6 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement nor 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 2014 basic financial statement. The 2014 information has been subjected to the auditing procedures applied in the audit of the 2014 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 2014 basic financial statement or to the 2014 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 2014 supplementary information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1. The information identified in the table of contents, as unaudited additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we express no opinion on the unaudited information.

Respectfully submitted,

Mapes & Miller LLP

Certified Public Accountants

July 20, 2015
Phillipsburg, Kansas

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Statement 1
Page 1 of 2

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2014

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund							
General Operating Fund	\$ 458,156	\$ -	\$ 1,163,906	\$ 1,293,016	\$ 329,046	\$ 242,972	\$ 572,018
Special Purpose Funds							
Equipment Reserve Fund	433,910	-	302,539	20,328	716,121	-	716,121
Library Fund	109	-	62,526	62,440	195	-	195
Employee Benefit Fund	20,225	-	513,394	533,237	382	-	382
Special Parks & Recreation Fund	27,003	-	7,350	3,000	31,353	-	31,353
Special Highway Fund	267,467	-	240,519	232,672	275,314	316	275,630
Fire Equipment Capital Outlay Fund	112,808	-	34,812	5,467	142,153	-	142,153
Industrial Development Fund	16,184	-	12,500	-	28,684	-	28,684
Bond & Interest Fund							
Bond & Interest Fund	283,877	-	357,670	264,244	377,303	-	377,303
Capital Projects Fund							
Airport Grant Fund	(86,328)	276	87,903	1,942,601	(1,940,750) *	1,940,750	-
Business Funds							
Water & Sewer Utility Fund	1,186,694	6,508	1,294,402	1,616,509	871,095	63,112	934,207
Meter Deposits Fund	-	-	8,050	8,050	-	21,230	21,230
Solid Waste Fund	158,894	-	359,809	363,788	154,915	241	155,156
Partially Self-Funded Health Insurance Fund	110,380	-	420,733	372,781	158,332	-	158,332
Aquatic Center Fund	161,228	-	525,438	533,280	153,386	5,092	158,478
Trust Fund							
Endowment Fund	9,985	-	18	21	9,982	-	9,982
Related Municipal Entity							
Public Building Commission							
Aquatic Center Bond & Interest Fund	74,426	-	222,956	221,765	75,617	-	75,617
Aquatic Center Capital Project Fund	142,159	-	-	13,604	128,555	-	128,555
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,377,177</u>	<u>\$ 6,784</u>	<u>\$ 5,614,525</u>	<u>\$ 7,486,803</u>	<u>\$ 1,511,683</u>	<u>\$ 2,273,713</u>	<u>\$ 3,785,396</u>

* See Note 3 (Cash Basis Exception)

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

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Statement 1
Page 2 of 2

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2014

Composition of Cash	
Cash on Hand	\$ 450
Checking Accounts	97,097
NOW Account	478,811
Money Market Account	533,048
Certificates of Deposit	<u>2,681,000</u>
Total Cash	3,790,406
Agency Funds Per Schedule 3	<u>(5,010)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,785,396</u>

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

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

NOTES TO THE FINANCIAL STATEMENT
December 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Reporting Entity

The City of Phillipsburg, Kansas, is a municipal corporation governed by an elected mayor and an elected six member council. This financial statement presents the City of Phillipsburg, and one of its related municipal entities. The following related municipal entity is included in the City's reporting entity because it was established to benefit the City and/or its constituents:

Public Building Commission. The City of Phillipsburg Public Building Commission Board operates the Public Building Commission for the purpose of providing additional and alternative methods for financing certain public buildings. The City levies taxes for the Public Building Commission. Bond issuances must be approved by the City. Complete financial records for the Public Building Commission may be reviewed at the City offices.

(b) Regulatory Basis Fund Types

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 for the City for the year ended December 31, 2014.

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

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debts) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

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

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services. (i.e. enterprise funds and internal service funds etc.).

Trust Fund - funds used to report assets held in trust for the benefit of the municipal financial reporting entity. (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund - funds used to report assets held by the municipal reporting entity in a purely custodial capacity. (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

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

The *Kansas Municipal Audit and Accounting Guide* (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 receipts 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 City 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 City to use the regulatory basis of accounting.

(d) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds, and Business Funds. Although directory rather than mandatory, 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 on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. 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. There were no such budget amendments for the year ended December 31, 2014.

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 schedules 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 regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Projects Funds, Trust Funds, Agency Funds, and the following:

Special Purpose Funds:

Equipment Reserve Fund

Business Funds:

Meter Deposits Fund

Partially Self-Funded Health Insurance Fund

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. No statutory violations were noted for the year ended December 31, 2014.

3. CASH BASIS EXCEPTION

The City received a Federal Aviation Administration (FAA) Grant. The grant document requires the City to expend the monies before they can request reimbursement, which caused the City negative unencumbered cash in the Airport Grant Fund at December 31, 2014. K.S.A. 12-1664 provides an exception for a cash basis law violation for intergovernmental grant funds to expend monies for grant purposes with the expectation of monies to be reimbursed to the City under conditions of the grant award.

4. DEPOSITS AND INVESTMENTS

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

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. State statutes require the City’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. All deposits were legally secured at December 31, 2014.

At December 31, 2014, the City’s carrying amount of deposits was \$3,789,956 and the bank balance was \$3,795,746. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance \$710,735 was covered by federal depository insurance, and \$3,085,011 was collateralized with securities held by the pledging financial institutions’ agents in the City’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 City 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.

5. INTERFUND TRANSFERS

A. Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	\$ 35,000
General Operating Fund	Special Highway Fund	K.S.A. 12-1,119	160,000
Employee Benefit Fund	Partially Self-Funded Health Insurance Fund	K.S.A. 12-2615	339,821
Special Highway Fund	Equipment Reserve Fund	K.S.A. 12-1,117	13,000
Water & Sewer Utility Fund	Equipment Reserve Fund	K.S.A. 12-825d	190,000
Water & Sewer Utility Fund	Bond & Interest Fund	K.S.A. 12-825d	92,464
Solid Waste Fund	Equipment Reserve Fund	K.S.A. 12-825d	14,539
Aquatic Center Fund	Equipment Reserve Fund	K.S.A. 12-1,117	50,000

6. DEFINED BENEFIT PENSION PLAN

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. 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, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rate. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and 6% of covered salary for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. Kansas law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City 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 this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits 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.

(b) Other Employee Benefits

Vacation

All employees of the City, except temporary and part-time employees, accumulate vacation leave at a rate of ten days per year after their first year of employment. The rate of accumulation increases to fifteen days per year after seven years of employment, and twenty days per year after eighteen years of employment. An employee can only carry over to the next year, one-half of their annual amount of vacation leave. Employees are paid for all accumulated vacation leave, at their current wage rate, upon termination of employment. As of December 31, 2014, the City owed \$37,931 of accumulated vacation leave to employees.

Sick leave

All employees of the City, except temporary and part-time employees, accumulate sick leave at a rate of twelve days per year. They may accumulate unlimited sick leave days. Upon termination of employment, no sick leave is paid to the employee.

8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks.

During the year ended December 31, 2014, the City did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

The City of Phillipsburg, Kansas pays an annual premium to Corporate Plan Management for its health insurance coverage. The agreement to participate provides that the Corporate Plan Management will be partially self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$25,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Corporate Plan Management.

9. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	Project Authorization	Cash Disbursements and Accounts Payable to Date
Airport Grant	\$2,160,000	\$2,156,389

10. OPERATING LEASE

The City entered into a lease agreement, dated September 1, 2011 with the Public Building Commission, a related municipal entity of the City, to lease the swimming pool recreational facility. The agreement states that the City will, during the term of the lease, keep and maintain the swimming pool facility and all parts in good condition and repair. The lease agreement provides for semi-annual lease payments. The City has imposed a 1% city-wide retailer's sales tax to cover these payments.

Future minimum rental commitments are as follows:

Year	Amount
2015	\$ 224,365
2016	221,865
2017	224,365
2018	226,115
2019	222,403
2020-2024	1,111,088
2025-2029	1,120,488
2030-2031	371,040
Total Future Minimum Lease Payments	<u>\$ 3,721,729</u>

11. SUBSEQUENT EVENTS

On April 6, 2015, the City adopted a resolution authorizing the offering for sale of General Obligation Bond Series 2015 in the amount of \$1,635,000. The bonds will be issued in order to provide funds to permanently finance the Sewer and Water Improvements and to retire the KDHE Loans currently owed by the City.

Management has evaluated events subsequent to year end through the date of this report, and does not believe any other events through the date of this report have occurred, which effect the financial statement as presented.

12. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2014, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 1/1/2014	Additions	Reductions/Payments	Ending Balance 12/31/2014	Interest/Service Fees Paid
General Obligation Bond Series 2011 General Obligation	1.75-2.9%	09/01/11	\$ 245,000	9/1/2021	\$ 205,000	\$ -	\$ 20,000	\$ 185,000	\$ 4,888
KDHE Loans KS Water Pollution Control Loan	3.08%	04/11/01	2,855,519	9/1/2022	1,439,784	-	141,126	1,298,658	43,267
KS Water Supply Loan	3.66%	01/17/05	920,980	2/1/2026	547,410	-	35,248	512,162	19,715
Total KDHE Loans					1,987,194	-	176,374	1,810,820	62,982
Public Building Commission Series 2011 Revenue Bond	2.0-4.1%	09/01/11	3,070,000	10/1/2031	2,850,000	-	120,000	2,730,000	101,765
Total Contractual Indebtedness					\$ 5,042,194	\$ -	\$ 316,374	\$ 4,725,820	\$ 169,635

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

Year	General Obligation Bond		KDHE Loans		Revenue Bond (Public Building Commission)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 25,000	\$ 4,538	\$ 182,056	\$ 57,301	\$ 125,000	\$ 99,365	\$ 332,056	\$ 161,204
2016	25,000	4,038	187,922	51,434	125,000	96,865	337,922	152,337
2017	25,000	3,537	193,979	45,378	130,000	94,365	348,979	143,280
2018	25,000	3,000	200,231	39,126	135,000	91,115	360,231	133,241
2019	25,000	2,400	206,686	32,671	135,000	87,403	366,686	122,474
2020-2024	60,000	2,595	760,427	67,572	745,000	366,087	1,565,427	436,254
2025-2029	-	-	79,519	2,928	915,000	205,488	994,519	208,416
2030-2031	-	-	-	-	420,000	25,830	420,000	25,830
	\$ 185,000	\$ 20,108	\$ 1,810,820	\$ 296,410	\$ 2,730,000	\$ 1,066,518	\$ 4,725,820	\$ 1,383,036

CITY OF PHILLIPSBURG, KANSAS
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund					
General Operating Fund	\$ 1,870,437	\$ -	\$ 1,870,437	\$ 1,293,016	\$ (577,421)
Special Purpose Funds					
Library Fund	63,004	-	63,004	62,440	(564)
Employee Benefit Fund	567,600	-	567,600	533,237	(34,363)
Special Parks & Recreation Fund	33,374	-	33,374	3,000	(30,374)
Special Highway Fund	879,159	-	879,159	232,672	(646,487)
Fire Equipment Capital Outlay Fund	240,029	-	240,029	5,467	(234,562)
Industrial Development Fund	23,481	-	23,481	-	(23,481)
Bond & Interest Funds					
Bond & Interest Fund	671,145	-	671,145	264,244	(406,901)
Business Funds					
Water & Sewer Utility Fund	2,708,000	-	2,708,000	1,616,509	(1,091,491)
Solid Waste Fund	519,627	-	519,627	363,788	(155,839)
Aquatic Center Fund	743,851	-	743,851	533,280	(210,571)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	\$ 307,459	\$ 310,505	\$ (3,046)
Delinquent Tax	8,660	5,000	3,660
Motor Vehicle Tax	80,077	80,198	(121)
Intangibles Tax	44,125	43,448	677
Recreational Vehicle Tax	1,412	1,435	(23)
Excise Tax	120	131	(11)
16/20M Vehicle Tax	836	1,029	(193)
Tax Judgment	948	-	948
Commercial Vehicle	4,073	-	4,073
Local Alcoholic Liquor Tax	4,350	4,642	(292)
Interest on Idle Funds	10,531	18,000	(7,469)
Franchise Tax	174,852	165,000	9,852
Animal Tags	748	2,100	(1,352)
Federal Grant	29,739	-	29,739
State Grant	8,765	36,000	(27,235)
Fines	31,250	33,000	(1,750)
Reimbursements	9,824	10,000	(176)
Rural Fire Contracts	28,207	17,000	11,207
Campground Fees	2,973	4,200	(1,227)
Local Retailer's Sales Tax	241,240	247,500	(6,260)
Licenses & Permits	4,702	6,800	(2,098)
Other Cash Receipts	4,011	42,000	(37,989)
Nonfederal Grants & Gifts	76,285	200,000	(123,715)
Building Rents	8,203	16,000	(7,797)
Cemetery Lots & Care	7,865	7,500	365
Airport Rents & Grains	6,940	10,000	(3,060)
Airport Aviation Gas & Oil	19,116	25,000	(5,884)
Airport Courtesy Car	101	150	(49)
Airport Sales Tax Collected	2,080	3,000	(920)
Airport Reimbursement	1,851	-	1,851
Zoning Applications	375	-	375
Transportation Passes	6,812	5,000	1,812
Northwest Kansas Transit	35,376	32,000	3,376
Total Receipts	1,163,906	\$ 1,326,638	\$ (162,732)
EXPENDITURES			
General Government			
Personal Services	53,562	\$ 76,000	\$ (22,438)
Contractual Services	69,688	181,953	(112,265)
Commodities	4,908	15,000	(10,092)
Capital Outlay	-	28,453	(28,453)
Total General Government	128,158	301,406	(173,248)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Community Building			
Personal Services	\$ 34,895	\$ 40,000	\$ (5,105)
Contractual Services	16,226	25,000	(8,774)
Commodities	3,327	18,000	(14,673)
Capital Outlay	-	30,000	(30,000)
Total Community Building	<u>54,448</u>	<u>113,000</u>	<u>(58,552)</u>
Municipal Court & Police Department			
Personal Services	20,800	30,000	(9,200)
Contractual Services	302,856	290,000	12,856
Commodities	237	5,000	(4,763)
Capital Outlay	-	5,000	(5,000)
Total Municipal Court & Police Department	<u>323,893</u>	<u>330,000</u>	<u>(6,107)</u>
City Fire Department			
Contractual Services	8,007	15,000	(6,993)
Commodities	9,547	16,000	(6,453)
Capital Outlay	1,424	26,000	(24,576)
Total City Fire Department	<u>18,978</u>	<u>57,000</u>	<u>(38,022)</u>
Rural Fire Department			
Contractual Services	4,925	5,100	(175)
Commodities	8,576	15,000	(6,424)
Capital Outlay	5,454	20,000	(14,546)
Total Rural Fire Department	<u>18,955</u>	<u>40,100</u>	<u>(21,145)</u>
Park Department			
Personal Services	17,907	25,000	(7,093)
Contractual Services	12,237	25,000	(12,763)
Commodities	7,893	10,000	(2,107)
Capital Outlay	42,555	20,000	22,555
Total Park Department	<u>80,592</u>	<u>80,000</u>	<u>592</u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Recreation Department			
Contractual Services	\$ 8,018	\$ 5,800	\$ 2,218
Commodities	946	1,000	(54)
Capital Outlay	-	5,000	(5,000)
Total Recreation Department	8,964	11,800	(2,836)
Cemetery			
Personal Services	17,098	25,000	(7,902)
Contractual Services	6,026	30,000	(23,974)
Commodities	3,790	8,000	(4,210)
Capital Outlay	-	15,000	(15,000)
Total Cemetery	26,914	78,000	(51,086)
Street Lighting			
Contractual Services	49,061	60,000	(10,939)
Airport			
Personal Services	4,181	10,000	(5,819)
Contractual Services	239,459	86,000	153,459
Commodities	11,336	40,000	(28,664)
Capital Outlay	520	200,597	(200,077)
Total Airport	255,496	336,597	(81,101)
Planning Department			
Contractual Services	1,821	5,000	(3,179)
Transportation Department			
Personal Services	31,845	34,000	(2,155)
Contractual Services	4,430	6,500	(2,070)
Commodities	6,469	15,000	(8,531)
Capital Outlay	37,174	45,000	(7,826)
Total Transportation Department	79,918	100,500	(20,582)

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Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Library Support			
Contractual	\$ 25,724	\$ 38,000	\$ (12,276)
Beautification			
Contractual Services	1,402	11,000	(9,598)
Commodities	189	7,000	(6,811)
Capital Outlay	-	10,000	(10,000)
Total Beautification	1,591	28,000	(26,409)
Shade Tree			
Contractual Services	775	7,000	(6,225)
Armory			
Contractual Services	12,359	15,000	(2,641)
Commodities	2,181	10,000	(7,819)
Total Armory	14,540	25,000	(10,460)
Water Projects			
Contractual Services	-	34,034	(34,034)
ADA Concrete			
Commodities	8,188	30,000	(21,812)
Outgoing Transfers			
Equipment Reserve Fund	35,000	35,000	-
Special Highway Fund	160,000	160,000	-
Total Outgoing Transfers	195,000	195,000	-
Total Expenditures	1,293,016	\$ 1,870,437	\$ (577,421)
Receipts Over (Under) Expenditures	(129,110)		
UNENCUMBERED CASH, January 1, 2014	458,156		
UNENCUMBERED CASH, December 31, 2014	\$ 329,046		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2014

EQUIPMENT RESERVE FUND

	<u>Actual</u>
RECEIPTS	
Incoming Transfers	
General Operating Fund	\$ 35,000
Special Highway Fund	13,000
Water & Sewer Utility Fund	190,000
Solid Waste Fund	14,539
Aquatic Center Fund	<u>50,000</u>
Total Receipts	<u>302,539</u>
EXPENDITURES	
Capital Outlay	<u>20,328</u>
Receipts Over (Under) Expenditures	282,211
UNENCUMBERED CASH, January 1, 2014	<u>433,910</u>
UNENCUMBERED CASH, December 31, 2014	<u><u>\$ 716,121</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

LIBRARY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 48,443	\$ 50,188	\$ (1,745)
Delinquent Tax	1,490	1,052	438
Motor Vehicle Tax	11,400	11,395	5
Recreational Vehicle Tax	201	204	(3)
Excise Tax	17	19	(2)
16/20M Vehicle Tax	120	146	(26)
Tax Adjustment	276	-	276
Commercial Vehicle	579	-	579
	<u>62,526</u>	<u>\$ 63,004</u>	<u>\$ (478)</u>
EXPENDITURES			
Library Insurance	2,440	\$ 1,004	\$ 1,436
Appropriation to Library Board	60,000	62,000	(2,000)
	<u>62,440</u>	<u>\$ 63,004</u>	<u>\$ (564)</u>
Receipts Over (Under) Expenditures	86		
UNENCUMBERED CASH, January 1, 2014	<u>109</u>		
UNENCUMBERED CASH, December 31, 2014	<u>\$ 195</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

EMPLOYEE BENEFIT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 119,533	\$ 121,834	\$ (2,301)
Delinquent Tax	2,604	1,500	1,104
Motor Vehicle Tax	15,864	15,857	7
Recreational Vehicle Tax	279	284	(5)
Excise Tax	24	26	(2)
16/20M Vehicle Tax	167	203	(36)
Tax Judgement	660	-	660
Commercial Vehicle	805	-	805
Employee/Employer Contributions	373,454	400,706	(27,252)
Other Reimbursements	4	2,000	(1,996)
Total Receipts	513,394	\$ 542,410	\$ (29,016)
EXPENDITURES			
Social Security & Medicare	64,964	\$ 85,000	\$ (20,036)
Retirement	78,679	85,000	(6,321)
Workman's Compensation	36,558	39,500	(2,942)
Unemployment Insurance	13,215	14,100	(885)
Outgoing Transfer			
Partially Self-Funded Health Insurance Fund	339,821	344,000	(4,179)
Total Expenditures	533,237	\$ 567,600	\$ (34,363)
Receipts Over (Under) Expenditures	(19,843)		
UNENCUMBERED CASH, January 1, 2014	20,225		
UNENCUMBERED CASH, December 31, 2014	\$ 382		

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Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014

SPECIAL PARKS & RECREATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Alcoholic Liquor Tax	\$ 4,350	\$ 4,642	\$ (292)
Nonfederal Grants & Gifts	3,000	1,000	2,000
Total Receipts	7,350	\$ 5,642	\$ 1,708
EXPENDITURES			
Contractual Services	3,000	\$ 10,000	\$ (7,000)
Commodities	-	2,000	(2,000)
Capital Outlay	-	21,374	(21,374)
Total Expenditures	3,000	\$ 33,374	\$ (30,374)
Receipts Over (Under) Expenditures	4,350		
UNENCUMBERED CASH, January 1, 2014	27,003		
UNENCUMBERED CASH, December 31, 2014	\$ 31,353		

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Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

SPECIAL HIGHWAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Highway Connecting Links	\$ 14,874	\$ 21,000	\$ (6,126)
Special Highway Tax	65,507	66,220	(713)
Sale of Equipment	127	-	127
Sales Tax Collected	11	-	11
Other Cash Receipts	-	2,000	(2,000)
Federal Grants	-	250,000	(250,000)
Incoming Transfer			
General Operating Fund	160,000	160,000	-
Total Receipts	240,519	\$ 499,220	\$ (258,701)
EXPENDITURES			
Personal Services	89,719	\$ 115,000	\$ (25,281)
Contractual Services	9,476	80,000	(70,524)
Commodities	120,477	185,000	(64,523)
Capital Outlay	-	486,159	(486,159)
Outgoing Transfer			
Equipment Reserve Fund	13,000	13,000	-
Total Expenditures	232,672	\$ 879,159	\$ (646,487)
Receipts Over (Under) Expenditures	7,847		
UNENCUMBERED CASH, January 1, 2014	267,467		
UNENCUMBERED CASH, December 31, 2014	\$ 275,314		

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Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

FIRE EQUIPMENT CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 19,379	\$ 19,576	\$ (197)
Delinquent Tax	596	500	96
Motor Vehicle Tax	4,560	4,558	2
Recreational Vehicle Tax	80	82	(2)
Excise Tax	7	7	-
16/20M Vehicle Tax	48	58	(10)
Tax Judgement	110	-	110
Commercial Vehicle	232	-	232
Sale of Equipment	4,800	-	4,800
Nonfederal Grants & Gifts	5,000	-	5,000
	<u>34,812</u>	<u>\$ 24,781</u>	<u>\$ 10,031</u>
EXPENDITURES			
Capital Outlay	5,467	\$ 240,029	\$ (234,562)
Receipts Over (Under) Expenditures	29,345		
UNENCUMBERED CASH, January 1, 2014	<u>112,808</u>		
UNENCUMBERED CASH, December 31, 2014	<u>\$ 142,153</u>		

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014

INDUSTRIAL DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 9,685	\$ 10,038	\$ (353)
Delinquent Tax	297	500	(203)
Motor Vehicle Tax	2,280	2,279	1
Recreational Vehicle Tax	40	41	(1)
Excise Tax	3	4	(1)
16/20M Vehicle Tax	24	29	(5)
Tax Judgement	55	-	55
Commercial Vehicle	116	-	116
	<u>12,500</u>	<u>\$ 12,891</u>	<u>\$ (391)</u>
EXPENDITURES			
Contractual Services	-	\$ 23,481	\$ (23,481)
	<u>-</u>	<u>\$ 23,481</u>	<u>\$ (23,481)</u>
Receipts Over (Under) Expenditures	12,500		
UNENCUMBERED CASH, January 1, 2014	<u>16,184</u>		
UNENCUMBERED CASH, December 31, 2014	<u>\$ 28,684</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

BOND & INTEREST FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 19,437	\$ 19,638	\$ (201)
Delinquent Tax	1,406	2,400	(994)
Motor Vehicle Tax	2,278	2,279	(1)
Recreational Vehicle Tax	40	41	(1)
Excise Tax	3	4	(1)
16/20M Vehicle Tax	24	29	(5)
Tax Judgement	662	-	662
Commercial Vehicle	116	-	116
Local Retailer's Sales Tax	241,240	247,500	(6,260)
Incoming Transfer			
Water & Sewer Utility Fund	92,464	92,464	-
Total Receipts	357,670	\$ 364,355	\$ (6,685)
EXPENDITURES			
Commission & Postage	-	\$ 10,000	\$ (10,000)
Reserve for Cash	-	396,899	(396,899)
Sewer Loan Principal	141,126	141,126	-
Sewer Loan Interest	39,755	39,756	(1)
Sewer Loan Service Fee	3,512	3,512	-
Water Loan Principal	35,248	35,249	(1)
Water Loan Interest	17,830	17,830	-
Water Loan Service Fee	1,885	1,885	-
G.O. Bond Principal	20,000	20,000	-
G.O. Bond Interest	4,888	4,888	-
Total Expenditures	264,244	\$ 671,145	\$ (406,901)
Receipts Over (Under) Expenditures	93,426		
UNENCUMBERED CASH, January 1, 2014	283,877		
UNENCUMBERED CASH, December 31, 2014	\$ 377,303		

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Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014

AIRPORT GRANT FUND

	<u>Actual</u>
RECEIPTS	
Federal Grant	<u>\$ 87,903</u>
EXPENDITURES	
Contractual Services	<u>1,942,601</u>
Receipts Over (Under) Expenditures	(1,854,698)
UNENCUMBERED CASH, January 1, 2014	(86,328)
Prior Year Cancelled Encumbrances	<u>276</u>
UNENCUMBERED CASH, December 31, 2014	<u>\$ (1,940,750) *</u>

* See Note 3 (Cash Basis Exception).

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Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

WATER & SEWER UTILITY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Water Department			
Water Sales	\$ 974,952	\$ 1,200,000	\$ (225,048)
Penalties	12,742	23,000	(10,258)
Sales Tax Collected	25,010	33,000	(7,990)
Other Cash Receipts	344	2,500	(2,156)
Coin Machine Water Sales	901	1,700	(799)
Water Protection Fee	8,568	15,000	(6,432)
Sale of Equipment	28	1,500	(1,472)
Return Check Charge	300	1,000	(700)
New Service	2,649	3,000	(351)
Connects/Disconnects	2,915	4,000	(1,085)
	<u>1,028,409</u>	<u>1,284,700</u>	<u>(256,291)</u>
Sewer Department			
Sewer Charges	261,724	210,000	51,724
Sewer Machine & Building Rental	-	2,000	(2,000)
Other Cash Receipts	-	100	(100)
Connects/Disconnects	20	100	(80)
Sewer Dump Station Fee	4,249	3,900	349
	<u>265,993</u>	<u>216,100</u>	<u>49,893</u>
Total Receipts	<u>1,294,402</u>	<u>\$ 1,500,800</u>	<u>\$ (206,398)</u>
EXPENDITURES			
Water Department			
Production			
Personal Services	33,080	\$ 70,000	\$ (36,920)
Contractual Services	191,552	250,000	(58,448)
Commodities	47,483	70,000	(22,517)
Capital Outlay	11,701	403,768	(392,067)
	<u>283,816</u>	<u>793,768</u>	<u>(509,952)</u>
Transmission & Distribution			
Personal Services	183,071	220,000	(36,929)
Contractual Services	134,304	160,000	(25,696)
Commodities	102,183	180,000	(77,817)
Capital Outlay	47,945	313,768	(265,823)
	<u>467,503</u>	<u>873,768</u>	<u>(406,265)</u>

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Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014

WATER & SEWER UTILITY FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Water Department			
Water Commercial & General			
Personal Services	\$ 69,834	\$ 100,000	\$ (30,166)
Contractual Services	70,705	90,000	(19,295)
Commodities	1,935	10,000	(8,065)
Capital Outlay	-	70,000	(70,000)
	142,474	270,000	(127,526)
Total Water Commercial & General			
Total Water Department	893,793	1,937,536	(1,043,743)
Sewer Department			
Sewer Commercial & General			
Personal Services	91,450	70,000	21,450
Contractual Services	158,569	190,000	(31,431)
Commodities	39,528	60,000	(20,472)
Capital Outlay	108,229	100,000	8,229
	397,776	420,000	(22,224)
Total Sewer Commercial & General			
Other Expenditures			
Sales Tax	25,499	35,000	(9,501)
State Water Fee	8,762	18,000	(9,238)
Kansas Clean Drinking Water Fee	8,215	15,000	(6,785)
Outgoing Transfers			
Equipment Reserve Fund	190,000	190,000	-
Bond & Interest Fund	92,464	92,464	-
	324,940	350,464	(25,524)
Total Other Expenditures			
Total Expenditures	1,616,509	\$ 2,708,000	\$ (1,091,491)
Receipts Over (Under) Expenditures	(322,107)		
UNENCUMBERED CASH, January 1, 2014	1,186,694		
Prior Year Cancelled Encumbrances	6,508		
UNENCUMBERED CASH, December 31, 2014	\$ 871,095		

CITY OF PHILLIPSBURG
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Schedule 2-12

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2014

METER DEPOSITS FUND

	<u>Actual</u>
RECEIPTS	
Meter Deposits	<u>\$ 8,050</u>
EXPENDITURES	
Deposit Refunds	<u> 8,050</u>
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, January 1, 2014	<u>-</u>
UNENCUMBERED CASH, December 31, 2014	<u><u>\$ -</u></u>

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Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

SOLID WASTE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Fees Collected	\$ 354,010	\$ 360,000	\$ (5,990)
Sales Tax Collected	-	250	(250)
Sale of Dumpsters	-	3,600	(3,600)
Equipment Rental	425	600	(175)
Other Cash Receipts	-	200	(200)
Yard Waste Receipts	5,374	7,500	(2,126)
Total Receipts	359,809	\$ 372,150	\$ (12,341)
EXPENDITURES			
Personal Services	134,352	\$ 145,000	\$ (10,648)
Contractual Services	192,908	190,000	2,908
Commodities	20,779	42,000	(21,221)
Capital Outlay	1,210	117,627	(116,417)
Outgoing Transfer Equipment Reserve Fund	14,539	25,000	(10,461)
Total Expenditures	363,788	\$ 519,627	\$ (155,839)
Receipts Over (Under) Expenditures	(3,979)		
UNENCUMBERED CASH, January 1, 2014	158,894		
UNENCUMBERED CASH, December 31, 2014	\$ 154,915		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-14

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2014

PARTIALLY SELF-FUNDED HEALTH INSURANCE FUND

	<u>Actual</u>
RECEIPTS	
Insurance Reimbursement	\$ 50,947
Employee/Employer Premium Deposit	21,956
Interest on Idle Funds	167
Miscellaneous	-
Cobra Payments	7,842
Incoming Transfer	
Employee Benefit Fund	<u>339,821</u>
Total Receipts	<u>420,733</u>
EXPENDITURES	
Contractual Services	<u>372,781</u>
Receipts Over (Under) Expenditures	47,952
UNENCUMBERED CASH, January 1, 2014	<u>110,380</u>
UNENCUMBERED CASH, December 31, 2014	<u><u>\$ 158,332</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-15

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

AQUATIC CENTER FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Retailer's Sales Tax	\$ 482,479	\$ 495,000	\$ (12,521)
Swimming Pool Concessions	10,253	8,500	1,753
Swimming Lessons	4,448	4,000	448
Swimming Pool Tickets	25,582	36,000	(10,418)
Sales Tax Collected	887	750	137
Non Federal Grants & Gifts	500	5,000	(4,500)
State Grant	828	-	828
Other Cash Receipts	461	-	461
	<u>525,438</u>	<u>\$ 549,250</u>	<u>\$ (23,812)</u>
EXPENDITURES			
Personal Services	121,026	\$ 150,000	\$ (28,974)
Contractual Services	109,085	155,000	(45,915)
Commodities	26,412	70,000	(43,588)
Capital Outlay	4,125	36,851	(32,726)
Lease Payments	222,632	282,000	(59,368)
Outgoing Transfer			
Equipment Reserve Fund	50,000	50,000	-
	<u>533,280</u>	<u>\$ 743,851</u>	<u>\$ (210,571)</u>
Receipts Over (Under) Expenditures	(7,842)		
UNENCUMBERED CASH, January 1, 2014	<u>161,228</u>		
UNENCUMBERED CASH, December 31, 2014	<u>\$ 153,386</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-16

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2014

ENDOWMENT FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 18</u>
EXPENDITURES	
Supplies	<u> 21</u>
Receipts Over (Under) Expenditures	(3)
UNENCUMBERED CASH, January 1, 2014	<u> 9,985</u>
UNENCUMBERED CASH, December 31, 2014	<u><u>\$ 9,982</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2014

AGENCY FUNDS

<u>FUNDS</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Municipal Court Bonds	\$ 164	\$ 1,469	\$ 1,633	\$ -
Employee Flex Benefits	<u>2,636</u>	<u>57,236</u>	<u>54,862</u>	<u>5,010</u>
Total	<u>\$ 2,800</u>	<u>\$ 58,705</u>	<u>\$ 56,495</u>	<u>\$ 5,010</u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 4-1

RELATED MUNICIPAL ENTITY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2014

PUBLIC BUILDING COMMISSION
AQUATIC CENTER BOND & INTEREST FUND

	<u>Actual</u>
RECEIPTS	
Lease Income	\$ 222,632
Interest Income	<u>324</u>
Total Receipts	<u>222,956</u>
EXPENDITURES	
Principal Payment	120,000
Interest Expense	<u>101,765</u>
Total Expenditures	<u>221,765</u>
Receipts Over (Under) Expenditures	1,191
UNENCUMBERED CASH, January 1, 2014	<u>74,426</u>
UNENCUMBERED CASH, December 31, 2014	<u><u>\$ 75,617</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 4-2

RELATED MUNICIPAL ENTITY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2014

PUBLIC BUILDING COMMISSION
AQUATIC CENTER CAPITAL PROJECTS FUND

	<u>Actual</u>
RECEIPTS	\$ -
EXPENDITURES	
Contract Labor	1,845
Pool Equipment	8,659
Miscellaneous	<u>3,100</u>
Total Expenditures	<u>13,604</u>
Receipts Over (Under) Expenditures	(13,604)
UNENCUMBERED CASH, January 1, 2014	<u>142,159</u>
UNENCUMBERED CASH, December 31, 2014	<u><u>\$ 128,555</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 5

WATER AND SEWER UTILITY ALLOCATION
For the Year Ended December 31, 2014

SUMMARY FROM
WATER & SEWER UTILITY FUND

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
RECEIPTS	\$ 1,028,409	\$ 265,993	\$ 1,294,402
EXPENDITURES	<u>1,123,733</u>	<u>492,776</u>	<u>1,616,509</u>
Receipts Over (Under) Expenditures	(95,324)	(226,783)	(322,107)
UNENCUMBERED CASH, January 1, 2014	514,226	672,468	1,186,694
Prior Year Cancelled Encumbrances	<u>6,333</u>	<u>175</u>	<u>6,508</u>
UNENCUMBERED CASH, December 31, 2014	<u>\$ 425,235</u>	<u>\$ 445,860</u>	<u>\$ 871,095</u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 6

EQUIPMENT RESERVE ALLOCATION

For the Year Ended December 31, 2014

	Office	Solid Waste	Water	Sewer	Aquatic Center	Undesignated	Total
Receipts	\$ 6,000	\$ 13,317	\$ 92,000	\$ 92,000	\$ 50,000	\$ 49,222	\$ 302,539
Expenditures	1,827	-	-	-	-	18,501	20,328
Receipts Over (Under) Expenditures	4,173	13,317	92,000	92,000	50,000	30,721	282,211
UNENCUMBERED CASH, January 1, 2014	53,590	51,786	84,500	84,500	-	159,534	433,910
UNENCUMBERED CASH, December 31, 2014	<u>\$ 57,763</u>	<u>\$ 65,103</u>	<u>\$ 176,500</u>	<u>\$ 176,500</u>	<u>\$ 50,000</u>	<u>\$ 190,255</u>	<u>\$ 716,121</u>

**CITY OF PHILLIPSBURG, KANSAS
UNAUDITED ADDITIONAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2014**

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Exhibit 1

UNAUDITED ADDITIONAL INFORMATION
December 31, 2014

Phillipsburg is a municipal corporation incorporated in 1872 and a city of the second class organized and existing under and pursuant to the Constitution and Laws of the State of Kansas. The City has a Mayor/Council form of government consisting of a Mayor and a six-member City Council who are elected by ward to four-year terms of office. The Mayor and Council set policy covering municipal governmental and administrative services and operations.

THE CITY

The City of Phillipsburg, Kansas (the "City") is situated in the northwest region of the State of Kansas. The City is approximately 240 miles northwest of Wichita and 150 miles northwest of Salina. Phillipsburg is the County seat of Phillips County.

EDUCATIONAL FACILITIES

Phillipsburg is the site of the offices of Unified School District No. 325 which provides a comprehensive curriculum for approximately 628 students in kindergarten through grade twelve.

Post-secondary education is provided to the area by Fort Hays State University, as well as the North Central Area Vocational and Technical School in Beloit. Colby Community College also provides post-secondary education through outreach programs.

ECONOMIC AND DEMOGRAPHIC INFORMATION

LOCATION (City of Phillipsburg)

Distance in miles from:	Chicago:	754	Denver:	338
	Los Angeles:	1,356	New York:	1,527
	Kansas City:	325	Dallas:	610
	Minneapolis:	647	St. Louis:	581

POPULATION	Current Estimated	2010	2000	1990	1980	1970
City of Phillipsburg:	2,520	2,581	2,668	2,828	3,229	3,241
Phillips County:	5,519	5,642	6,001	6,590	7,406	7,888

PUBLIC SAFETY

The City of Phillipsburg contracts with Phillips County for law enforcement.

The City of Phillipsburg provides fire protection through a volunteer fire department.

UNAUDITED

UTILITIES

Electric service is provided to the area by Prairie Land Electric, with the electric utility an interconnected utility.

Natural gas is provided to the area by Midwest Energy, Inc.

The City of Phillipsburg owns and operates municipal water and waste water utilities. The City also owns and operates the refuse collection service.

EMPLOYMENT HISTORY - Phillips County

	<u>Year</u>	<u>Average Unemployment Rate</u>	
	2014	3.5%	
	2013	4.2%	
	2012	4.2%	
	2011	4.9%	
	2010	5.1%	
	2009	6.2%	
	2008	4.0%	
	2007	3.0%	
	2006	3.3%	
	2005	3.7%	

	<u>Civilian Work force</u>	<u>Total Employed</u>	<u>Unemployed</u>
2014	2,951	2,848	103
2013	3,048	2,920	128
2012	3,128	2,996	132
2011	3,185	3,029	156
2010	3,103	2,946	157
2009	3,166	2,969	197
2008	3,145	3,018	127
2007	3,182	3,088	94
2006	3,111	3,008	103
2005	3,155	3,039	116

Kansas Department of Commerce, Labor Market Info. Service (785-296-5000)
www.dol.ks.gov

MAJOR EMPLOYERS - Phillipsburg Area

Some of the larger employers in the area include:

<u>Firm</u>	<u>Products/Service</u>
Tamko Asphalt Products	Roofing Products
Phillips County Hospital	Health Care
Unified School District #325	Education
Phillips Co. Retirement Center	Long Term Care Facility
First National Bank	Banking
Kyle Railroad	Transportation
Prairie Horizon Agri-Energy LLC	Ethanol & Distillers Grain
Groendyke Transport Inc.	Transportation

UNAUDITED

CLIMATE

Average daily temperature:

January:	27 degrees
April:	54 degrees
July:	80 degrees
October:	57 degrees

Average annual precipitation: 25 inches

Average annual snowfall: 23 inches

BANK DEPOSITS - Phillipsburg - December 31

Year	Amount	Year	Amount
2005	196,496,523	2010	245,076,602
2006	208,589,637	2011	297,256,081
2007	224,886,062	2012	286,758,309
2008	233,130,344	2013	298,336,493
2009	229,561,739	2014	212,760,900

Source: Local banks - First National Bank, Farmers National Bank, & Farmers State Bank

GROSS RETAIL SALES - Phillips County

Year	Amount	Year	Amount
2005	141,624,077	2010	122,903,973
2006	173,762,580	2011	175,612,706
2007	155,847,499	2012	151,371,873
2008	131,936,647	2013	160,523,074
2009	125,906,065	2014	158,619,485

PHILLIPSBURG CITY SALES TAX COLLECTED BY STATE OF KANSAS

Year	Amount	Year	Amount
2005	359,404	2010	386,466
2006	392,703	2011	435,662
2007	398,182	2012	853,802
2008	395,726	2013	834,992
2009	391,732	2014	822,148

TAXABLE RETAIL SALES - Phillipsburg City

Year	Amount	Year	Amount
2005	32,614,792	2010	36,656,731
2006	39,270,300	2011	43,566,227
2007	36,748,660	2012	40,690,111
2008	37,891,849	2013	37,754,811
2009	34,479,349	2014	41,107,400

TAXABLE RETAIL SALES - Phillips County

Year	Amount	Year	Amount
2005	43,667,470	2010	52,079,343
2006	50,145,600	2011	60,623,600
2007	51,399,849	2012	59,716,108
2008	53,419,415	2013	55,559,592
2009	49,485,668	2014	63,141,600

Source: Kansas Department of Revenue, Steve Brunken (785-291-3580)

UNAUDITED

TRANSPORTATION

The Kyle Railroad Co. serves the area. Highways serving the area include Interstate 70 and Interstate 80, located 62 miles to the south and 65 miles to the north respectively, and Kansas Highway 36 and Kansas Highway 183.

Air transportation is provided to the area through the Phillipsburg Municipal Airport which has a 4,500 foot asphalt runway. The airport is lighted and has private aircraft storage available.

Parcel service is provided by Federal Express, Pony Express, United Parcel Service, and the United States Post Office.

COMMUNITY SERVICES

The City of Phillipsburg is serviced by three banks and one credit union. Medical facilities are readily available through the twenty-nine bed nonprofit Phillips County Hospital. There is one medical doctor, three certified physician assistants, three dentists and one optometrist providing medical services to the City as well as visiting specialists.

There are fourteen religious institutions located in Phillipsburg.

Located in or near the City are public parks, a golf course, tennis courts and swimming pools. Kirwin Federal Wildlife Refuge is only fifteen miles from the City and provides fishing, hunting, and wildlife watching.

Phillipsburg has two motels with a total of seventy-four rooms.

Phillipsburg has two weekly newspapers, the Phillips County Review and the Advocate of Phillips County. Area residents receive a high quality cable system and high speed internet access. KKAN-KQMA serves the area with AM/FM radio.

TAX STRUCTURE

The total sales tax rate (city, county, state) effective July 1, 2014 was 8.65%.

The property tax rate for various governmental entities is as follows:

PROPERTY TAX MILL LEVY (Per \$1,000 Assessed Valuation)

Levy Year	Budget Year	City of Phillipburg	Phillips County	USD #325	Other	State	Total
2014	2015	55.979	92.796	42.854	1.501	1.500	194.630
2013	2014	54.045	102.190	49.445	1.452	1.500	208.632
2012	2013	51.151	115.701	48.769	1.340	1.500	218.461
2011	2012	50.820	114.814	48.823	1.453	1.500	217.410
2010	2011	49.857	100.712	48.194	1.513	1.500	201.776
2009	2010	49.618	89.437	48.518	1.655	1.500	190.728
2008	2009	49.176	81.842	49.334	1.352	1.500	183.204
2007	2008	50.645	78.597	50.464	1.398	1.500	182.604

UNAUDITED

ASSESSED VALUATION HISTORY

Year	Assessed Valuation of Taxable Tangible Property	Tangible Valuation of Motor Vehicles	Equalized Assessed Valuation of Taxable Tangible Property
2014	\$ 10,065,188	\$ 2,741,503	\$ 12,806,691
2013	\$ 10,047,051	\$ 2,738,728	\$ 12,785,779
2012	\$ 10,005,718	\$ 2,728,947	\$ 12,734,665
2011	\$ 10,045,331	\$ 2,690,621	\$ 12,735,952
2010	\$ 9,929,583	\$ 2,839,157	\$ 12,768,740
2009	\$ 9,905,875		
2008	\$ 10,110,232		
2007	\$ 9,894,743		

UNAUDITED

CITY'S AUTHORITY TO INCUR DEBT

Equalized Assessed Valuation of Tangible Valuation For		
Computation of Bonded Debt Limitations	\$	12,806,691
Legal limitation of Bonded Debt	\$	3,842,007
Outstanding general obligation debt as of December 31, 2014	\$	185,000
Exempt Debt	\$	-
Net Debt against Statutory Debt limit capacity	\$	185,000
Additional debt capacity	\$	3,657,007
Direct debt per capita	\$	73
Overlapping Indebtedness	\$	-
Direct and overlapping debt	\$	185,000
Direct and overlapping debt per capita	\$	73
Direct debt as a percentage of Equalized Assessed Valuation		1.44%
Direct and overlapping debt as a percentage of Equalized Assessed Valuation		1.44%
Statutory direct debt as a percentage of Equalized Assessed Valuation		1.44%

UNAUDITED

OVERLAPPING INDEBTEDNESS

The following table sets forth overlapping indebtedness as of December 31, 2014, and the percent attributable (on the basis of assessed valuation) to the City.

<u>Taxing Jurisdiction</u>	<u>2014 Assessed Valuation</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to the City</u>	<u>Amount Applicable to the City</u>
Phillips County	\$ 54,877,817	\$ -	18.34%	\$ -
U.S.D. #325	\$ 28,733,373	\$ -	34.96%	\$ -

Outstanding General Obligation Debt
(As of December 31, 2014)

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>	<u>Amount Included In Debt Limitation</u>
KLINK G.O. Bonds	2011	\$ 245,000	\$ 185,000	\$ 185,000

Temporary Notes Outstanding
(As of December 31, 2014)

None are outstanding as of December 31, 2014.

Revenue Bonds Outstanding
(As of December 31, 2014)

None are outstanding as of December 31, 2014.

Outstanding Public Building Commission Revenue Bonds
(As of December 31, 2014)

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
PBC Revenue Bonds	2011	\$ 3,070,000	\$ 2,730,000

Loans Outstanding
(As of December 31, 2014)

<u>Description of Loan</u>	<u>Series</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
KDHE Sewer Loan	2001	\$ 2,855,519	\$ 1,298,658
KDHE Water Loan	2005	\$ 920,980	\$ 512,162

Capital Lease Obligations
(As of December 31, 2014)

None are outstanding as of December 31, 2014.

UNAUDITED