

CITY OF PHILLIPSBURG

Phillipsburg, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2013

MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas 67661

CITY OF PHILLIPSBURG

For the Year Ended December 31, 2013

Fred Robinson, Mayor

City Council

Linda Flipse
Rod Innes
Shane Kinter

Lynette Voorhees
Erik Coulimore
Mike James

City Offices

Brenda Chance
Kelly Vanderplas

City Clerk
City Treasurer

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

For the Year Ended December 31, 2013

	TABLE OF CONTENTS	<u>Page Numbers</u>
	Independent Auditor's Report	1-2
	<u>FINANCIAL SECTION</u>	
Statement 1	Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	3-4
	Notes to the Financial Statement	5-11
	<u>REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule 1	Summary of Expenditures - Actual and Budget – Regulatory Basis	12
Schedule 2	Schedule of Receipts and Expenditures- Actual and Budget – Regulatory Basis	
	<u>General Fund</u>	
2-1	General Operating Fund	13-16
	<u>Special Purpose Funds</u>	
2-2	Equipment Reserve Fund	17
2-3	Library Fund	18
2-4	Employee Benefit Fund	19
2-5	Special Parks & Recreation Fund	20
2-6	Special Highway Fund	21
2-7	Fire Equipment Capital Outlay Fund	22
2-8	Industrial Development Fund	23
	<u>Bond & Interest Fund</u>	
2-9	Bond & Interest Fund	24
	<u>Capital Projects Fund</u>	
2-10	Airport Grant Fund	25
	<u>Business Funds</u>	
2-11	Water & Sewer Utility Fund	26-27
2-12	Meter Deposits Fund	28
2-13	Solid Waste Fund	29
2-14	Partially Self-Funded Health Insurance Fund	30
2-15	Aquatic Center Fund	31
	<u>Trust Fund</u>	
2-16	Endowment Fund	32

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

For the Year Ended December 31, 2013

Cont.

TABLE OF CONTENTS

		<u>Page Numbers</u>
Schedule 3	Schedule of Receipts and Disbursements – Agency Funds – Regulatory Basis	33
	<u>Related Municipal Entity</u>	
Schedule 4	Public Building Commission	
4-1	Aquatic Center Bond & Interest Fund	34
4-2	Aquatic Center Capital Projects Fund	35
	<u>Additional Information</u>	
Schedule 5	Water and Sewer Utility Allocation	36
	<u>UNAUDITED ADDITIONAL INFORMATION</u>	
Exhibit 1	The City, Educational Facilities, Location, Population, Public Safety	37
Exhibit 2	Utilities, Employment History, Major Employers	38
Exhibit 3	Climate, Bank Deposits, Gross Retail Sales, Phillipsburg City Sales Tax Collected by State of Kansas, Taxable Retail Sales	39
Exhibit 4	Transportation, Community Services, Tax Structure, Property Tax Mill Levy Rates	40
Exhibit 5	Assessed Valuation History	41
Exhibit 6	City's Authority to Incur Debt	41
Exhibit 7	Overlapping Indebtedness	42



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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, 2013 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 21, 2014
Page 2

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, 2013, 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, 2013, 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 2013 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, schedules of regulatory basis receipts and expenditures-actual-related municipal entity, and water and sewer utility allocation (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2013 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 2013 basic financial statement. The 2013 information has been subjected to the auditing procedures applied in the audit of the 2013 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 2013 basic financial statement or to the 2013 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 2013 supplementary information is fairly stated in all material respects in relation to the 2013 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 21, 2014
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, 2013

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	\$ 670,087	\$ -	\$ 1,427,887	\$ 1,639,818	\$ 458,156	\$ 32,498	\$ 490,654
Special Purpose Funds							
Equipment Reserve Fund	213,584	-	235,781	15,455	433,910	-	433,910
Library Fund	80	-	60,146	60,117	109	7,800	7,909
Employee Benefit Fund	20,948	-	394,079	394,802	20,225	-	20,225
Special Parks & Recreation Fund	25,353	-	4,650	3,000	27,003	-	27,003
Special Highway Fund	138,491	-	387,787	258,811	267,467	13,648	281,115
Fire Equipment Capital Outlay Fund	273,179	-	29,129	189,500	112,808	-	112,808
Industrial Development Fund	9,156	-	12,028	5,000	16,184	-	16,184
Bond & Interest Fund							
Bond & Interest Fund	234,363	-	348,300	298,786	283,877	-	283,877
Capital Projects Fund							
Airport Grant Fund	-	-	74,322	160,650	(86,328) *	86,328	-
Business Funds							
Water & Sewer Utility Fund	1,489,479	-	1,311,665	1,614,450	1,186,694	184,453	1,371,147
Meter Deposits Fund	-	-	7,560	7,560	-	21,000	21,000
Solid Waste Fund	173,683	-	361,509	376,298	158,894	9,534	168,428
Partially Self-Funded Health Insurance Fund	120,522	-	306,383	316,525	110,380	-	110,380
Aquatic Center Fund	-	-	674,251	513,023	161,228	2,842	164,070
Trust Fund							
Endowment Fund	9,966	-	19	-	9,985	-	9,985
Related Municipal Entity							
Public Building Commission							
Aquatic Center Bond & Interest Fund	74,890	-	223,701	224,165	74,426	-	74,426
Aquatic Center Capital Project Fund	159,725	27,321	4,258	49,145	142,159	24,000	166,159
 Total Reporting Entity (Excluding Agency Funds)	 <u>\$ 3,613,506</u>	 <u>\$ 27,321</u>	 <u>\$ 5,863,455</u>	 <u>\$ 6,127,105</u>	 <u>\$ 3,377,177</u>	 <u>\$ 382,103</u>	 <u>\$ 3,759,280</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, 2013

Composition of Cash	
Cash on Hand	\$ 450
Checking Accounts	68,058
NOW Account	261,692
Money Market Account	450,880
Certificates of Deposit	<u>2,981,000</u>
Total Cash	3,762,080
Agency Funds Per Schedule 3	<u>(2,800)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,759,280</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, 2013

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. The regulatory 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

The following types of funds comprise the financial activities of the City for the year ended December 31, 2013:

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. The budget for the aquatic center was amended for the year ended December 31, 2013.

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. K.S.A. 9-1402 requires deposits at statutorily authorized financial institutions be secured at the market value, which is equal to 100% of the total deposits at any given time. The deposits at First National Bank were undersecured on January 31, 2013.
- B. K.S.A. 10-816 requires checks outstanding for two years or more be cancelled and restored to the fund originally charged. The City had outstanding checks greater than two years old in the petty cash bank account.
- C. K.S.A. 60-1111 requires public works contracts exceeding \$100,000 be properly bonded. The City had a contract over \$100,000 with a vendor to repair the water plant roof and the City did not obtain the required bonds.
- D. No other statutory violations were noted for the year ended December 31, 2013.

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, 2013. 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, except during the designated “peak periods” when required coverage is 50%. All deposits were legally secured at December 31, 2013.

At December 31, 2013, the City’s carrying amount of deposits was \$3,761,630 and the bank balance was \$4,074,934. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance \$704,828 was covered by federal depository insurance, and \$3,370,106 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	308,661
General Operating Fund	Partially Self-Funded Health Insurance Fund	K.S.A. 12-2615	29,318
Employee Benefit Fund	Partially Self-Funded Health Insurance Fund	K.S.A. 12-2615	262,690
Water & Sewer Utility Fund	Equipment Reserve Fund	K.S.A. 12-825d	175,000
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	25,781

B. Equity transfers were as follows:

From	To	Amount
General Operating Fund	Aquatic Center Fund	\$ 227,472
Bond & Interest Fund	General Operating Fund	34,192

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 4% 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.

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, 2013, 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	\$160,650	\$160,650
Aquatic Center	\$49,145	\$49,145

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
2014	\$ 221,765
2015	224,365
2016	221,865
2017	224,365
2018	226,115
2019-2023	1,111,388
2024-2028	1,117,575
2029-2031	596,923
Total Future Minimum Lease Payments	<u>\$ 3,944,361</u>

11. SUBSEQUENT EVENTS

Management has evaluated events subsequent to year end through the date of this report, and does not believe any 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, 2013, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 1/1/2013	Additions	Reductions/Payments	Ending Balance 12/31/2013	Interest/Service Fees Paid
General Obligation Bond Series 2011 General Obligation	1.75%	09/01/11	\$ 245,000	9/1/2021	\$ 225,000	\$ -	\$ 20,000	\$ 205,000	\$ 5,238
KDHE Loans KS Water Pollution Control Loan	3.08%	04/11/01	2,855,519	9/1/2022	1,576,661	-	136,877	1,439,784	47,515
KS Water Supply Loan	3.66%	01/17/05	920,980	2/1/2026	581,403	-	33,993	547,410	20,971
Total KDHE Loans					2,158,064	-	170,870	1,987,194	68,486
Public Building Commission Series 2011 Revenue Bond	2.00%	09/01/11	3,070,000	10/1/2031	2,970,000	-	120,000	2,850,000	104,165
Total Contractual Indebtedness					\$ 5,353,064	\$ -	\$ 310,870	\$ 5,042,194	\$ 177,889

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
2014	\$ 20,000	\$ 4,888	\$ 176,374	\$ 62,983	\$ 120,000	\$ 101,765	\$ 316,374	\$ 169,636
2015	25,000	4,537	182,056	57,301	125,000	99,365	332,056	161,203
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
2019-2023	85,000	4,995	916,454	95,938	720,000	391,388	1,721,454	492,321
2024-2028	-	-	130,178	7,233	875,000	242,575	1,005,178	249,808
2029-2031	-	-	-	-	620,000	50,845	620,000	50,845
	\$ 205,000	\$ 24,995	\$ 1,987,194	\$ 359,393	\$ 2,850,000	\$ 1,168,283	\$ 5,042,194	\$ 1,552,671

CITY OF PHILLIPSBURG, KANSAS
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2013

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2013

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	\$ 2,408,232	\$ -	\$ 2,408,232	\$ 1,639,818	\$ (768,414)
Special Purpose Funds					
Library Fund	63,526	-	63,526	60,117	(3,409)
Employee Benefit Fund	515,362	-	515,362	394,802	(120,560)
Special Parks & Recreation Fund	32,390	-	32,390	3,000	(29,390)
Special Highway Fund	730,498	-	730,498	258,811	(471,687)
Fire Equipment Capital Outlay Fund	241,029	-	241,029	189,500	(51,529)
Industrial Development Fund	31,481	-	31,481	5,000	(26,481)
Bond & Interest Funds					
Bond & Interest Fund	435,515	-	435,515	298,786	(136,729)
Business Funds					
Water & Sewer Utility Fund	2,464,462	-	2,464,462	1,614,450	(850,012)
Solid Waste Fund	519,627	-	519,627	376,298	(143,329)
Aquatic Center Fund	645,000	-	645,000	513,023	(131,977)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-1
Page 1 of 4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	\$ 341,612	\$ 343,894	\$ (2,282)
Delinquent Tax	5,764	5,000	764
Motor Vehicle Tax	71,455	79,102	(7,647)
Intangibles Tax	38,057	34,591	3,466
Recreational Vehicle Tax	1,092	1,541	(449)
Excise Tax	117	161	(44)
16/20M Vehicle Tax	919	1,215	(296)
Local Alcoholic Liquor Tax	4,651	4,379	272
Interest on Idle Funds	12,029	31,000	(18,971)
Franchise Tax	168,360	165,000	3,360
Animal Tags	1,019	2,100	(1,081)
Federal Grant	41,626	-	41,626
State Grant	34,562	-	34,562
Fines	17,602	33,000	(15,398)
Reimbursements	6,130	10,000	(3,870)
Rural Fire Contracts	23,842	17,000	6,842
Campground Fees	2,507	4,200	(1,693)
Local Retailer's Sales Tax	329,496	712,500	(383,004)
Licenses & Permits	6,001	6,800	(799)
Other Cash Receipts	4,430	42,000	(37,570)
Nonfederal Grants & Gifts	137,702	200,000	(62,298)
Building Rents	11,768	12,000	(232)
Swimming Pool & Concessions	-	13,000	(13,000)
Cemetery Lots & Care	8,200	7,500	700
Airport Rents & Grains	7,943	10,000	(2,057)
Airport Aviation Gas & Oil	21,379	25,000	(3,621)
Airport Courtesy Car	60	100	(40)
Airport Sales Tax Collected	1,864	3,000	(1,136)
Airport Reimbursement	51,399	-	51,399
Zoning Applications	300	-	300
Transportation Passes	6,004	3,500	2,504
Northwest Kansas Transit	35,805	32,000	3,805
Incoming Transfer			
Bond & Interest Fund	34,192	-	34,192
Total Receipts	1,427,887	\$ 1,799,583	\$ (371,696)
EXPENDITURES			
General Government			
Personal Services	62,522	\$ 76,000	\$ (13,478)
Contractual Services	202,393	210,000	(7,607)
Commodities	4,894	10,000	(5,106)
Capital Outlay	-	185,877	(185,877)
Total General Government	269,809	481,877	(212,068)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-1
Page 2 of 4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Community Building			
Personal Services	\$ 33,960	\$ 40,000	\$ (6,040)
Contractual Services	10,775	20,000	(9,225)
Commodities	15,770	7,000	8,770
Capital Outlay	549	75,000	(74,451)
Total Community Building	61,054	142,000	(80,946)
Municipal Court & Police Department			
Personal Services	20,800	30,000	(9,200)
Contractual Services	294,256	290,000	4,256
Commodities	290	2,000	(1,710)
Capital Outlay	-	5,000	(5,000)
Total Municipal Court & Police Department	315,346	327,000	(11,654)
City Fire Department			
Contractual Services	6,512	15,000	(8,488)
Commodities	7,725	15,000	(7,275)
Capital Outlay	225	25,000	(24,775)
Total City Fire Department	14,462	55,000	(40,538)
Rural Fire Department			
Contractual Services	5,390	5,000	390
Commodities	9,927	10,000	(73)
Capital Outlay	-	15,000	(15,000)
Total Rural Fire Department	15,317	30,000	(14,683)
Park Department			
Personal Services	17,017	25,000	(7,983)
Contractual Services	8,852	25,000	(16,148)
Commodities	11,838	9,500	2,338
Capital Outlay	-	20,000	(20,000)
Total Park Department	37,707	79,500	(41,793)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-1
Page 3 of 4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Recreation Department			
Contractual Services	\$ 3,507	\$ 5,800	\$ (2,293)
Commodities	-	1,000	(1,000)
Capital Outlay	-	5,000	(5,000)
Total Recreation Department	3,507	11,800	(8,293)
Swimming Pool			
Personal Services	-	120,000	(120,000)
Contractual Services	-	282,849	(282,849)
Commodities	-	68,000	(68,000)
Capital Outlay	-	46,651	(46,651)
Total Swimming Pool	-	517,500	(517,500)
Cemetery			
Personal Services	16,856	25,000	(8,144)
Contractual Services	11,268	30,000	(18,732)
Commodities	4,690	7,000	(2,310)
Capital Outlay	-	5,000	(5,000)
Total Cemetery	32,814	67,000	(34,186)
Street Lighting			
Contractual Services	50,511	60,000	(9,489)
Airport			
Personal Services	4,258	10,000	(5,742)
Contractual Services	87,166	86,000	1,166
Commodities	25,482	40,000	(14,518)
Capital Outlay	363	80,521	(80,158)
Total Airport	117,269	216,521	(99,252)
Planning Department			
Contractual Services	496	5,000	(4,504)
Transportation Department			
Personal Services	28,233	34,000	(5,767)
Contractual Services	2,727	6,500	(3,773)
Commodities	10,869	10,000	869
Capital Outlay	-	10,000	(10,000)
Total Transportation Department	41,829	60,500	(18,671)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-1
Page 4 of 4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2013

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Library Support			
Contractual	\$ 28,723	\$ 38,000	\$ (9,277)
Beautification			
Contractual Services	683	11,000	(10,317)
Commodities	1,288	7,000	(5,712)
Total Beautification	1,971	18,000	(16,029)
Shade Tree			
Contractual Services	2,575	14,500	(11,925)
Armory			
Contractual Services	8,932	15,000	(6,068)
Commodities	1,998	10,000	(8,002)
Total Armory	10,930	25,000	(14,070)
Water Projects			
Contractual	-	34,034	(34,034)
ADA Concrete			
Commodities	35,047	30,000	5,047
Outgoing Transfers			
Equipment Reserve Fund	35,000	35,000	-
Special Highway Fund	308,661	160,000	148,661
Partially Self-Funded Health Insurance Fund	29,318	-	29,318
Aquatic Center Fund	227,472	-	227,472
Total Outgoing Transfers	600,451	195,000	405,451
Total Expenditures	1,639,818	\$ 2,408,232	\$ (768,414)
Receipts Over (Under) Expenditures	(211,931)		
UNENCUMBERED CASH, January 1, 2013	670,087		
UNENCUMBERED CASH, December 31, 2013	\$ 458,156		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2013

EQUIPMENT RESERVE FUND

	<u>Actual</u>
RECEIPTS	
Incoming Transfers	
General Operating Fund	\$ 35,000
Water & Sewer Utility Fund	175,000
Solid Waste Fund	<u>25,781</u>
Total Receipts	<u>235,781</u>
EXPENDITURES	
Capital Outlay	<u>15,455</u>
Receipts Over (Under) Expenditures	220,326
UNENCUMBERED CASH, January 1, 2013	<u>213,584</u>
UNENCUMBERED CASH, December 31, 2013	<u><u>\$ 433,910</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, 2013

LIBRARY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 48,534	\$ 48,498	\$ 36
Delinquent Tax	1,007	1,052	(45)
Motor Vehicle Tax	10,294	11,337	(1,043)
Recreational Vehicle Tax	157	221	(64)
Excise Tax	17	23	(6)
16/20M Vehicle Tax	137	174	(37)
Total Receipts	60,146	\$ 61,305	\$ (1,159)
EXPENDITURES			
Library Insurance	1,317	\$ 1,300	\$ 17
Appropriation to Library Board	58,800	62,226	(3,426)
Total Expenditures	60,117	\$ 63,526	\$ (3,409)
Receipts Over (Under) Expenditures	29		
UNENCUMBERED CASH, January 1, 2013	80		
UNENCUMBERED CASH, December 31, 2013	\$ 109		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013

EMPLOYEE BENEFIT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 67,540	\$ 67,579	\$ (39)
Delinquent Tax	1,704	100	1,604
Motor Vehicle Tax	14,325	15,777	(1,452)
Recreational Vehicle Tax	209	307	(98)
Excise Tax	24	32	(8)
16/20M Vehicle Tax	190	242	(52)
Employee/Employer Contributions	310,083	300,000	10,083
Other	4	-	4
Total Receipts	394,079	\$ 384,037	\$ 10,042
EXPENDITURES			
Social Security & Medicare	62,383	\$ 77,000	\$ (14,617)
Retirement	66,739	77,000	(10,261)
Workman's Compensation	2,138	30,362	(28,224)
Unemployment Insurance	852	1,000	(148)
Outgoing Transfer			
Partially Self-Funded Health Insurance Fund	262,690	330,000	(67,310)
Total Expenditures	394,802	\$ 515,362	\$ (120,560)
Receipts Over (Under) Expenditures	(723)		
UNENCUMBERED CASH, January 1, 2013	20,948		
UNENCUMBERED CASH, December 31, 2013	\$ 20,225		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2013

SPECIAL PARKS & RECREATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Alcoholic Liquor Tax	\$ 4,650	\$ 4,379	\$ 271
Nonfederal Grants & Gifts	-	1,000	(1,000)
	4,650	\$ 5,379	\$ (729)
EXPENDITURES			
Personal Services	-	\$ 2,500	\$ (2,500)
Contractual Services	3,000	12,000	(9,000)
Commodities	-	2,000	(2,000)
Capital Outlay	-	15,890	(15,890)
	3,000	\$ 32,390	\$ (29,390)
Receipts Over (Under) Expenditures	1,650		
UNENCUMBERED CASH, January 1, 2013	25,353		
UNENCUMBERED CASH, December 31, 2013	\$ 27,003		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013

SPECIAL HIGHWAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Highway Connecting Links	\$ 14,864	\$ 21,000	\$ (6,136)
Special Highway Tax	63,765	67,170	(3,405)
Other Cash Receipts	497	2,000	(1,503)
Federal Grants	-	250,000	(250,000)
Incoming Transfer			
General Operating Fund	308,661	160,000	148,661
Total Receipts	387,787	\$ 500,170	\$ (112,383)
EXPENDITURES			
Personal Services	75,174	\$ 115,000	\$ (39,826)
Contractual Services	44,091	80,000	(35,909)
Commodities	139,546	185,000	(45,454)
Capital Outlay	-	337,498	(337,498)
Outgoing Transfer			
Equipment Reserve Fund	-	13,000	(13,000)
Total Expenditures	258,811	\$ 730,498	\$ (471,687)
Receipts Over (Under) Expenditures	128,976		
UNENCUMBERED CASH, January 1, 2013	138,491		
UNENCUMBERED CASH, December 31, 2013	\$ 267,467		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013

FIRE EQUIPMENT CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 19,413	\$ 19,100	\$ 313
Delinquent Tax	403	500	(97)
Motor Vehicle Tax	4,117	4,535	(418)
Recreational Vehicle Tax	63	88	(25)
Excise Tax	7	9	(2)
16/20M Vehicle Tax	55	70	(15)
Nonfederal Grants & Gifts	5,071	-	5,071
	<u>29,129</u>	<u>\$ 24,302</u>	<u>\$ 4,827</u>
EXPENDITURES			
Capital Outlay	189,500	\$ 241,029	\$ (51,529)
	<u>189,500</u>	<u>\$ 241,029</u>	<u>\$ (51,529)</u>
Receipts Over (Under) Expenditures	(160,371)		
UNENCUMBERED CASH, January 1, 2013	273,179		
	<u>273,179</u>		
UNENCUMBERED CASH, December 31, 2013	\$ 112,808		
	<u>\$ 112,808</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2013

INDUSTRIAL DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 9,707	\$ 9,500	\$ 207
Delinquent Tax	202	100	102
Motor Vehicle Tax	2,058	2,267	(209)
Recreational Vehicle Tax	31	44	(13)
Excise Tax	3	5	(2)
16/20M Vehicle Tax	27	35	(8)
Total Receipts	12,028	\$ 11,951	\$ 77
EXPENDITURES			
Contractual Services	-	\$ 23,481	\$ (23,481)
Activity Support	5,000	8,000	(3,000)
Total Expenditures	5,000	\$ 31,481	\$ (26,481)
Receipts Over (Under) Expenditures	7,028		
UNENCUMBERED CASH, January 1, 2013	9,156		
UNENCUMBERED CASH, December 31, 2013	\$ 16,184		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013

BOND & INTEREST FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 9,707	\$ 9,500	\$ 207
Delinquent Tax	1,089	2,400	(1,311)
Motor Vehicle Tax	2,153	2,258	(105)
Recreational Vehicle Tax	41	44	(3)
Excise Tax	4	5	(1)
16/20M Vehicle Tax	37	35	2
Local Retailer's Sales Tax	242,805	237,500	5,305
Incoming Transfer			
Water & Sewer Utility Fund	92,464	-	92,464
Total Receipts	348,300	\$ 251,742	\$ 96,558
EXPENDITURES			
Commission & Postage	-	\$ 3,000	\$ (3,000)
Reserve for Cash	-	167,920	(167,920)
Sewer Loan Principal	136,877	136,877	-
Sewer Loan Interest	43,658	43,659	(1)
Sewer Loan Service Fee	3,857	3,857	-
Water Loan Principal	33,993	33,993	-
Water Loan Interest	18,966	18,966	-
Water Loan Service Fee	2,005	2,005	-
G.O. Bond Principal	20,000	20,000	-
G.O. Bond Interest	5,238	5,238	-
Outgoing Transfer			
General Operating Fund	34,192	-	34,192
Total Expenditures	298,786	\$ 435,515	\$ (136,729)
Receipts Over (Under) Expenditures	49,514		
UNENCUMBERED CASH, January 1, 2013	234,363		
UNENCUMBERED CASH, December 31, 2013	\$ 283,877		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2013

AIRPORT GRANT FUND

	<u>Actual</u>
RECEIPTS	
Federal Grant	<u>\$ 74,322</u>
EXPENDITURES	
Contractual Services	<u>160,650</u>
Receipts Over (Under) Expenditures	(86,328)
UNENCUMBERED CASH, January 1, 2013	<u>-</u>
UNENCUMBERED CASH, December 31, 2013	<u>\$ (86,328) *</u>

* See Note 3 (Cash Basis Exception).

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-11
Page 1 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013

WATER & SEWER UTILITY FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
Water Department			
Water Sales	\$ 1,042,239	\$ 1,000,000	\$ 42,239
Penalties	16,812	16,000	812
Sales Tax Collected	26,641	28,000	(1,359)
Other Cash Receipts	1,493	3,500	(2,007)
Coin Machine Water Sales	1,342	1,700	(358)
Water Protection Fee	10,131	15,000	(4,869)
Sale of Equipment	169	1,500	(1,331)
Return Check Charge	14	1,000	(986)
New Service	929	4,000	(3,071)
Connects/Disconnects	2,364	4,000	(1,636)
Insurance Reimbursement	918	-	918
	<u>1,103,052</u>	<u>1,074,700</u>	<u>28,352</u>
Sewer Department			
Sewer Charges	205,515	210,000	(4,485)
Sewer Machine & Building Rental	-	5,000	(5,000)
Other Cash Receipts	-	100	(100)
Connects/Disconnects	20	100	(80)
Sewer Dump Station Fee	3,078	3,900	(822)
	<u>208,613</u>	<u>219,100</u>	<u>(10,487)</u>
Total Receipts	<u>1,311,665</u>	<u>\$ 1,293,800</u>	<u>\$ 17,865</u>
EXPENDITURES			
Water Department			
Production			
Personal Services	32,853	\$ 70,000	\$ (37,147)
Contractual Services	200,805	250,000	(49,195)
Commodities	52,010	60,000	(7,990)
Capital Outlay	-	442,132	(442,132)
	<u>285,668</u>	<u>822,132</u>	<u>(536,464)</u>
Transmission & Distribution			
Personal Services	196,511	220,000	(23,489)
Contractual Services	146,455	150,000	(3,545)
Commodities	283,877	170,000	113,877
Capital Outlay	335	300,000	(299,665)
	<u>627,178</u>	<u>840,000</u>	<u>(212,822)</u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-11
Page 2 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2013

WATER & SEWER UTILITY FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Water Department			
Water Commercial & General			
Personal Services	\$ 59,470	\$ 100,000	\$ (40,530)
Contractual Services	67,564	70,000	(2,436)
Commodities	4,277	5,000	(723)
Capital Outlay	383	34,943	(34,560)
Total Water Commercial & General	131,694	209,943	(78,249)
Total Water Department	1,044,540	1,872,075	(827,535)
Sewer Department			
Sewer Commercial & General			
Personal Services	54,185	70,000	(15,815)
Contractual Services	130,758	190,000	(59,242)
Commodities	43,098	60,000	(16,902)
Capital Outlay	23,602	50,000	(26,398)
Total Sewer Commercial & General	251,643	370,000	(118,357)
Other Expenditures			
Sales Tax	26,287	25,000	1,287
State Water Fee	12,587	11,000	1,587
Kansas Clean Drinking Water Fee	11,929	11,387	542
Outgoing Transfers			
Equipment Reserve Fund	175,000	175,000	-
Bond & Interest Fund	92,464	-	92,464
Total Other Expenditures	318,267	222,387	95,880
Total Expenditures	1,614,450	\$ 2,464,462	\$ (850,012)
Receipts Over (Under) Expenditures	(302,785)		
UNENCUMBERED CASH, January 1, 2013	1,489,479		
UNENCUMBERED CASH, December 31, 2013	\$ 1,186,694		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-12

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2013

METER DEPOSITS FUND

	<u>Actual</u>
RECEIPTS	
Meter Deposits	<u>\$ 7,560</u>
EXPENDITURES	
Deposit Refunds	<u>7,560</u>
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, January 1, 2013	<u>-</u>
UNENCUMBERED CASH, December 31, 2013	<u><u>\$ -</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-13

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2013

SOLID WASTE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Fees Collected	\$ 351,959	\$ 360,000	\$ (8,041)
Sales Tax Collected	976	250	726
Sale of Dumpsters	-	3,600	(3,600)
Equipment Rental	825	600	225
Other Cash Receipts	270	200	70
Yard Waste Receipts	4,881	7,500	(2,619)
Sale of Equipment	2,598	-	2,598
Total Receipts	361,509	\$ 372,150	\$ (10,641)
EXPENDITURES			
Personal Services	141,884	\$ 145,000	\$ (3,116)
Contractual Services	186,711	190,000	(3,289)
Commodities	18,597	42,000	(23,403)
Capital Outlay	3,325	117,627	(114,302)
Outgoing Transfer	-	-	-
Equipment Reserve Fund	25,781	25,000	781
Total Expenditures	376,298	\$ 519,627	\$ (143,329)
Receipts Over (Under) Expenditures	(14,789)		
UNENCUMBERED CASH, January 1, 2013	173,683		
UNENCUMBERED CASH, December 31, 2013	\$ 158,894		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-14

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2013

PARTIALLY SELF-FUNDED HEALTH INSURANCE FUND

	<u>Actual</u>
RECEIPTS	
Insurance Reimbursement	\$ 3,452
Employee/Employer Premium Deposit	10,706
Interest on Idle Funds	166
Miscellaneous	51
Incoming Transfer	
General Fund	29,318
Employee Benefit Fund	<u>262,690</u>
Total Receipts	<u>306,383</u>
EXPENDITURES	
Contractual Services	<u>316,525</u>
Receipts Over (Under) Expenditures	(10,142)
UNENCUMBERED CASH, January 1, 2013	<u>120,522</u>
UNENCUMBERED CASH, December 31, 2013	<u><u>\$ 110,380</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, 2013

AQUATIC CENTER FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Retailer's Sales Tax	\$ 398,920	\$ 495,000	\$ (96,080)
Swimming Pool Concessions	9,355	8,200	1,155
Swimming Lessons	4,180	-	4,180
Swimming Pool Tickets	33,268	40,000	(6,732)
Sales Tax Collected	806	750	56
Non Federal Grants & Gifts	250	1,000	(750)
Incoming Transfer			
General Operating Fund	227,472	214,816	12,656
Total Receipts	674,251	\$ 759,766	\$ (85,515)
EXPENDITURES			
Personal Services	113,331	\$ 120,000	\$ (6,669)
Contractual Services	103,094	153,000	(49,906)
Commodities	48,574	90,000	(41,426)
Capital Outlay	24,659	60,000	(35,341)
Lease Payments	223,365	222,000	1,365
Total Expenditures	513,023	\$ 645,000	\$ (131,977)
Receipts Over (Under) Expenditures	161,228		
UNENCUMBERED CASH, January 1, 2013	-		
UNENCUMBERED CASH, December 31, 2013	\$ 161,228		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-16

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2013

ENDOWMENT FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 19</u>
EXPENDITURES	
Supplies	<u> -</u>
Receipts Over (Under) Expenditures	19
UNENCUMBERED CASH, January 1, 2013	<u> 9,966</u>
UNENCUMBERED CASH, December 31, 2013	<u><u>\$ 9,985</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2013

AGENCY FUNDS

<u>FUNDS</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Municipal Court Bonds	\$ 600	\$ 1,464	\$ 1,900	\$ 164
Employee Flex Benefits	<u>2,719</u>	<u>49,173</u>	<u>49,256</u>	<u>2,636</u>
Total	<u>\$ 3,319</u>	<u>\$ 50,637</u>	<u>\$ 51,156</u>	<u>\$ 2,800</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, 2013

PUBLIC BUILDING COMMISSION
AQUATIC CENTER BOND & INTEREST FUND

	<u>Actual</u>
RECEIPTS	
Lease Income	\$ 223,365
Interest Income	<u>336</u>
Total Receipts	<u>223,701</u>
EXPENDITURES	
Principal Payment	120,000
Interest Expense	<u>104,165</u>
Total Expenditures	<u>224,165</u>
Receipts Over (Under) Expenditures	(464)
UNENCUMBERED CASH, January 1, 2013	<u>74,890</u>
UNENCUMBERED CASH, December 31, 2013	<u><u>\$ 74,426</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, 2013

PUBLIC BUILDING COMMISSION
AQUATIC CENTER CAPITAL PROJECTS FUND

	<u>Actual</u>
RECEIPTS	
Nonfederal Grants & Gifts	\$ 4,125
Refunds	133
	<u>4,258</u>
Total Receipts	<u>4,258</u>
EXPENDITURES	
Contract Labor	35,527
Engineering	323
Pool Equipment	9,089
Pool Supplies	4,206
	<u>49,145</u>
Total Expenditures	<u>49,145</u>
Receipts Over (Under) Expenditures	(44,887)
UNENCUMBERED CASH, January 1, 2013	159,725
Prior Year Cancelled Encumbrances	<u>27,321</u>
UNENCUMBERED CASH, December 31, 2013	<u><u>\$ 142,159</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 5

WATER AND SEWER UTILITY ALLOCATION
For the Year Ended December 31, 2013

SUMMARY FROM
WATER & SEWER UTILITY FUND

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
RECEIPTS	\$ 1,103,052	\$ 208,613	\$ 1,311,665
EXPENDITURES	<u>1,275,307</u>	<u>339,143</u>	<u>1,614,450</u>
Receipts Over (Under) Expenditures	(172,255)	(130,530)	(302,785)
UNENCUMBERED CASH, January 31, 2013	<u>686,481</u>	<u>802,998</u>	<u>1,489,479</u>
UNENCUMBERED CASH, December 31, 2013	<u><u>\$ 514,226</u></u>	<u><u>\$ 672,468</u></u>	<u><u>\$ 1,186,694</u></u>

**CITY OF PHILLIPSBURG, KANSAS
UNAUDITED ADDITIONAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2013**

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Exhibit 1

UNAUDITED ADDITIONAL INFORMATION
December 31, 2013

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>	
	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%	
	2004	3.9%	

	<u>Civilian Work force</u>	<u>Total Employed</u>	<u>Unemployed</u>
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
2004	3,214	3,090	124

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
2004	200,540,121	2009	229,561,739
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

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

GROSS RETAIL SALES - Phillips County

Year	Amount	Year	Amount
2004	133,500,000	2009	125,906,065
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

PHILLIPSBURG CITY SALES TAX COLLECTED BY STATE OF KANSAS

Year	Amount	Year	Amount
2004	357,141	2009	391,732
2005	359,404	2010	386,466
2006	392,703	2011	435,662
2007	398,182	2012	853,802
2008	395,726	2013	834,992

TAXABLE RETAIL SALES - Phillipsburg City

Year	Amount	Year	Amount
2004	32,309,604	2009	34,479,349
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

TAXABLE RETAIL SALES - Phillips County

Year	Amount	Year	Amount
2004	43,295,113	2009	49,485,668
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

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, 2013 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
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

ASSESSSED VALUATION HISTORY

Year	Assessed Valuation of Taxable Tangible Property	Tangible Valuation of Motor Vehicles	Equalized Assessed Valuation of Taxable Tangible Property
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		

CITY'S AUTHORITY TO INCUR DEBT

Equalized Assessed Valuation of Tangible Valuation For Computation of Bonded Debt Limitations	\$ 12,785,779
Legal limitation of Bonded Debt	\$ 3,835,734
Outstanding general obligation debt as of December 31, 2011	\$ 205,000
Exempt Debt	\$ -
Net Debt against Statutory Debt limit capacity	\$ 205,000
Additional debt capacity	\$ 3,630,734
Direct debt per capita	\$ 81
Overlapping Indebtedness	\$ -
Direct and overlapping debt	\$ 205,000
Direct and overlapping debt per capita	\$ 81
Direct debt as a percentage of Equalized Assessed Valuation	1.60%
Direct and overlapping debt as a percentage of Equalized Assessed Valuation	1.60%
Statutory direct debt as a percentage of Equalized Assessed Valuation	1.60%

UNAUDITED

OVERLAPPING INDEBTEDNESS

The following table sets forth overlapping indebtedness as of December 31, 2013, and the percent attributable (on the basis of assessed valuation) to the City.

Overlapping Indebtedness

The following table sets forth overlapping indebtedness as of December 31, 2013, and the percent attributable (on the basis of assessed valuation) to the City.

<u>Taxing Jurisdiction</u>	<u>2013 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	\$ 52,540,617	\$ -	19.21%	\$ -
U.S.D. #325	\$ 28,401,017	\$ -	35.37%	\$ -

Outstanding General Obligation Debt
(As of December 31, 2013)

<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	\$ 205,000	\$ 205,000

Temporary Notes Outstanding
(As of December 31, 2013)

None are outstanding as of December 31, 2013.

Revenue Bonds Outstanding
(As of December 31, 2013)

None are outstanding as of December 31, 2013.

Outstanding Public Building Commission Revenue Bonds
(As of December 31, 2013)

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
PBC Revenue Bonds	2011	\$ 3,070,000	\$ 2,850,000

Loans Outstanding
(As of December 31, 2013)

<u>Description of Loan</u>	<u>Series</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
KDHE Sewer Loan	2001	\$ 2,855,519	\$ 1,439,784
KDHE Water Loan	2005	\$ 1,115,125	\$ 547,410

Capital Lease Obligations
(As of December 31, 2013)

None are outstanding as of December 31, 2013.

UNAUDITED