

CITY OF BALDWIN CITY, KANSAS
FINANCIAL STATEMENTS
Year Ended December 31, 2014

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CITY OF BALDWIN CITY, KANSAS

FINANCIAL STATEMENTS
Year ending December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Baldwin City, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Baldwin City, Kansas (the City), as of and for the year ended December 31, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; 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.

Auditor's 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 to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City 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 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 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, and the regulatory basis receipts and expenditures-actual for the related municipal entity (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the 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 basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the 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 basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2013 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we rendered an unmodified opinion dated May 28, 2014. The 2013 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative 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 comparative information was 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 comparative 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.

Mike Houser: Company PA

Certified Public Accountants
Lawrence, Kansas

June 30, 2015

CITY OF BALDWIN CITY, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2014

<u>Funds</u>	Beginning Unencumbered Cash Balance	Prior Year Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	\$ 448,222	\$ -	\$ 2,506,326	\$ 2,377,199	\$ 577,349	\$ 35,962	\$ 613,311
Special Purpose Funds:							
Library Fund	-	-	132,507	132,507	-	-	-
Special Parks and Recreation Fund	85,844	-	10,292	52,787	43,349	-	43,349
Special Highway Fund	269,514	-	129,382	58,584	340,312	29,681	369,993
Swimming Pool Sales Tax Revenue Fund	94,952	-	-	-	94,952	-	94,952
General Reserve Fund	187,313	-	152,510	56,973	282,850	845	283,695
Cemetery Reserve Fund	105,659	-	30,000	-	135,659	-	135,659
Cemetery Fund	42,204	-	59,901	83,341	18,764	2,112	20,876
Bond and Interest Funds:							
Bond and Interest Fund	11,866	-	534,262	540,874	5,254	-	5,254
Capital Project Funds:							
Capital Project Fund	618,215	-	60,000	130,525	547,690	205	547,895
Quality of Life Sales Tax Fund	246,327	-	96,447	149,149	193,625	43,481	237,106
Capital Improvement Sales Tax Fund	-	255,302	192,897	278,211	169,988	-	169,988
Library Expansion Fund	471,743	-	140,550	612,293	-	-	-
Business Funds:							
Electric System Fund	1,693,139	-	10,413,511	10,570,049	1,536,601	143,073	1,679,674
Electric Project Fund	83,590	-	400,000	141,445	342,145	-	342,145
Water System Fund	1,329,254	-	1,482,500	1,638,996	1,172,758	34,068	1,206,826
Water Project Fund	299,804	-	103,851	25,209	378,446	600	379,046
Sewer Project Fund	154,912	-	5,600	52,712	107,800	-	107,800
Wastewater Utility Fund	497,979	[255,302]	825,545	864,252	203,970	3,959	207,929
Refuse Utility Fund	14,545	-	219,902	202,577	31,870	1,047	32,917
Total Primary Government	<u>6,655,082</u>	<u>-</u>	<u>17,495,983</u>	<u>17,967,683</u>	<u>6,183,382</u>	<u>295,033</u>	<u>6,478,415</u>
Related Municipal Entity:							
Baldwin City Library	<u>481,080</u>	<u>-</u>	<u>95,229</u>	<u>232,339</u>	<u>343,970</u>	<u>8,584</u>	<u>352,554</u>
Total Related Municipal Entity	<u>481,080</u>	<u>-</u>	<u>95,229</u>	<u>232,339</u>	<u>343,970</u>	<u>8,584</u>	<u>352,554</u>
Total Reporting Entity	<u>\$ 7,136,162</u>	<u>\$ -</u>	<u>\$ 17,591,212</u>	<u>\$ 18,200,022</u>	<u>\$ 6,527,352</u>	<u>\$ 303,617</u>	<u>\$ 6,830,969</u>

Composition of Cash:

Baldwin State Bank	
Checking	\$ 4,478,415
Checking - Baldwin City Library	138,524
Certificates of Deposit - Baldwin City Library	193,201
Mid America Bank - Certificates of Deposit	2,000,000
Bank of America - Baldwin City Library Shares	<u>20,829</u>
Total	<u>\$ 6,830,969</u>

CITY OF BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

The City of Baldwin City, Kansas, (the City) is a municipal corporation governed by a mayor and a five member council. These financial statements present the City and its related municipal entity for which the City is considered to be financially accountable.

Related Municipal Entity. The Baldwin City Public Library (Library) serves the citizens within the City's jurisdiction. The City appoints the entire governing body of the Library. Because the Library is not a separate taxing entity, the City levies taxes for the Library's operations. The Library is presented as a governmental fund type. Complete financial statements are not available for the Library for the year ended December 31, 2014.

Basis of Accounting

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.

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.

CITY OF BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types (Continued)

The following types of funds comprise the financial activities of the City for the year ended December 31, 2014:

The General Fund – The chief operating fund is used to account for all resources except those required to be accounted for in another fund.

The Special Purpose Funds are 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 debt) that are intended for specified purposes.

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

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

The Business Funds are funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

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. 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 the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of the notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in 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 2014 budget was not amended.

The statutes permit management to transfer 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. In the financial statements, budget comparisons are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures. Actual exceeded budget expenditures in the refuse utility fund, which is a violation of K.S.A. 79-2935.

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. 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

CITY OF BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

A legal operating budget is not required for capital project funds and certain special purpose funds including the General Reserve Fund and the Cemetery Reserve 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.

NOTE 2 - Deposits

Deposits. 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.

Investments. 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 designated "peak periods" when required coverage is 50%. The City has no designated "peak periods."

At December 31, 2014, the City's carrying amount of deposits was \$6,478,415 and the bank balance was \$6,553,485. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance, \$1,750,000 was secured by letters of credit in the City's name, and the balance of \$4,303,485 was collateralized with securities held by the pledging financial institutions' agents in the City's name. At December 31, 2014, the Library's carrying amount of deposits was \$352,554 and the bank balance was \$332,070. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance of \$82,070 was unsecured at December 31, 2014, which is a violation of K.S.A. 9-1042.

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.

NOTE 3 - Retirement Plan

Plan Description. The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). KPERS and KP&F are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

NOTE 3 - Retirement Plan (Continued)

Funding Policy - K.S.A. 74-419 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. 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 at 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

NOTE 4 - Long-Term Debt

During the year ended December 31, 2014, the following changes occurred in long term liabilities:

<u>Type of Issue</u>	<u>Restated Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
Paid by taxes					
General obligation bonds	\$ 5,650,000	\$ -	\$ 320,000	\$ 5,330,000	\$ 221,843
Capital Leases	39,614	-	23,818	15,796	1,446
Paid by utility revenues					
General obligation bonds	10,230,000	5,890,000	6,205,000	9,915,000	371,432
Loans	89,763	-	28,854	60,909	2,991
Total	<u>\$ 16,009,377</u>	<u>\$ 5,890,000</u>	<u>\$ 6,577,673</u>	<u>\$ 15,321,705</u>	<u>\$ 597,712</u>

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund other general obligation bonds.

CITY OF BALDWIN CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

NOTE 4 - Long-Term Debt (Continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Current Amount</u>
Paid by taxes					
Improvement, Series 2007-A	10/01/07	09/01/27	3.625 - 4.15%	\$ 1,290,000	\$ 60,000
Refunding and Improvement, Series 2007-B	10/01/07	09/01/27	4.125 - 4.375%	2,205,000	1,570,000
Refunding, Series 2013	03/19/13	09/01/33	2.00 - 3.50%	3,829,693	3,700,000
Paid by utility revenues					
Refunding, Series 2012	06/15/12	08/01/24	0.50 - 2.20%	1,125,000	950,000
Refunding, Series 2013	03/19/13	09/01/33	2.00 - 3.50%	3,335,308	3,075,000
Refunding, Series 2014	08/01/14	11/01/26	2.00 - 2.75%	5,890,000	<u>5,890,000</u>
Total General Obligation Bonds					<u>\$ 15,245,000</u>

During the year ended December 31, 2014, the City issued Series 2014-A general obligation refunding bonds with an interest rate of 2.00% to 2.75% and a final maturity of November 1, 2026 in the amount of \$5,890,000. The purpose of the bonds is to refund Series 2005 general obligation electric utility system refunding bonds. As a result of the refunding, the Series 2005 bonds were considered to be defeased and the liability was removed from the City's financial statements. The transaction resulted in an economic gain of \$621,168 and a reduction of \$624,523 in future debt payments.

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

<u>Year Ending December 31,</u>	<u>Paid By Taxes</u>	<u>Paid By Utility Revenue</u>	<u>Total</u>
2015	\$ 508,961	\$ 1,109,085	\$ 1,618,046
2016	480,969	1,144,828	1,625,797
2017	471,288	1,136,908	1,608,196
2018	476,606	1,178,518	1,655,124
2019	481,219	1,183,928	1,665,147
2020 - 2024	2,156,613	4,374,473	6,531,086
2025 - 2029	1,550,219	1,155,950	2,706,169
2030 - 2034	<u>667,325</u>	<u>-</u>	<u>667,325</u>
Total principal and interest	6,793,200	11,283,690	18,076,890
Less: interest	<u>1,463,200</u>	<u>1,368,690</u>	<u>2,831,890</u>
Total principal	<u>\$ 5,330,000</u>	<u>\$ 9,915,000</u>	<u>\$ 15,245,000</u>

CITY OF BALDWIN CITY, KANSAS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2014

NOTE 4 - Long-Term Debt (Continued)

The following displays annual debt service requirements to maturity for the loans to be paid from service revenues:

Year Ending December 31,	Principal	Interest
2015	\$ 29,908	\$ 1,803
2016	<u>31,001</u>	<u>786</u>
Total	<u>\$ 60,909</u>	<u>\$ 2,589</u>

Leases. The City has entered into lease agreements for the acquisition of equipment in the current and prior years. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term).

The future minimum lease obligations as of December 31, 2014 are as follows:

Year Ending December 31,	Principal	Interest
2015	\$ 7,782	\$ 644
2016	<u>8,014</u>	<u>329</u>
Total	<u>\$ 15,796</u>	<u>\$ 973</u>

Special Assessments. As provided by Kansas Statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund. The special assessment debt is a contingent liability of the City to the extent of property owner defaults, which have historically been immaterial.

NOTE 5 - 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 carries commercial insurance for these risks of loss, including related lost revenue. No significant reductions in insurance coverage from that of the prior year have occurred. Settlements have not exceeded insurance coverage for each of the last three years.

CITY OF BALDWIN CITY, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014

NOTE 6 - Interfund Transfers

A reconciliation of transfers by fund type for 2014 follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
Electric System	General	\$ 479,633	K.S.A. 12-825d
Water System	General	175,304	K.S.A. 12-825d
Wastewater Utility	General	33,878	K.S.A. 12-825d
Special Parks and Recreation	General	4,035	K.S.A. 79-41a04
Cemetery	General	2,647	City ordinance
Capital Improvement Sales Tax	General	98,211	K.S.A. 12-1,118
General	Bond and Interest	141,801	Bond ordinance
Quality of Life Sales Tax	Bond and Interest	50,841	Bond ordinance
Special Highway	Bond and Interest	28,903	Bond ordinance
Capital Improvement Sales Tax	Bond and Interest	180,000	Bond ordinance
General	Capital Project	60,000	K.S.A. 12-1,118
General	General Reserve	152,510	K.S.A. 12-1,117
Sewer Project	Wastewater Utility	52,712	K.S.A. 12-1,118
Cemetery	Cemetery Reserve	30,000	K.S.A. 12-1,118
Electric System	Electric Project	400,000	K.S.A. 12-825d
Water System	Water Project	100,000	K.S.A. 12-825d
General	Library Expansion	395	K.S.A. 10-117a
Refuse Utility	General	<u>20</u>	K.S.A. 12-825d
	Total	<u>\$ 1,990,889</u>	

NOTE 7 - Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation earned but unused at termination is paid to the employees at their current rate of pay up to a maximum of 30 days. Employees who resign in good standing are entitled to ten percent of their unused sick leave and employees who retire in good standing are entitled to twenty percent of their sick leave. The sick leave is calculated at the maximum entitlement even though not all employees are eligible for retirement in the coming year. The liability for compensated absences at December 31, 2014 is \$177,356.

NOTE 8 – Related Party Transactions

The City paid \$4,151 during the year ended December 31, 2014, for equipment purchases to a company owned by a governing body member.

The City paid \$1,806 during the year ended December 31, 2014, for supplies to a company that employs a governing body member.

SCHEDULE 1

CITY OF BALDWIN CITY, KANSAS

Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Positive [Negative]</u>
General Funds:					
General	\$ 2,837,366	\$ -	\$ 2,837,366	\$ 2,377,199	\$ 460,167
Special Purpose Funds:					
Library Fund	135,005	-	135,005	132,507	2,498
Special Parks and Recreation Fund	93,705	-	93,705	52,787	40,918
Special Highway Fund	385,377	-	385,377	58,584	326,793
Swimming Pool Sales Tax Revenue Fund	105,353	-	105,353	-	105,353
Cemetery Fund	91,464	-	91,464	83,341	8,123
Bond and Interest Funds:					
Bond and Interest Fund	541,076	-	541,076	540,874	202
Capital Project Funds:					
Quality of Life Sales Tax Fund	336,003	-	336,003	149,149	186,854
Capital Improvement Sales Tax Fund	487,968		487,968	278,211	209,757
Business Funds:					
Electric System Fund	6,170,145	6,057,301	12,227,446	10,570,049	1,657,397
Water System Fund	2,781,136	-	2,781,136	1,638,996	1,142,140
Wastewater Utility Fund	937,536	-	937,536	864,252	73,284
Refuse Utility Fund	204,424	-	204,424	202,577	1,847

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

CITY OF BALDWIN CITY, KANSAS

General Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 849,261	\$ 829,926	\$ 839,360	\$ [9,434]
Intergovernmental	654,992	678,402	651,726	26,676
Franchise fees	68,375	69,751	65,398	4,353
Licenses, permits and fees	30,138	34,808	14,500	20,308
Fines, forfeitures and penalties	102,634	64,743	74,517	[9,774]
Use of money and property	1,244	3,654	12,000	[8,346]
Reimbursed expenses	703	-	-	-
Transfer in	521,251	803,293	803,293	-
Miscellaneous	6,886	21,749	16,652	5,097
Total Receipts	<u>2,235,484</u>	<u>2,506,326</u>	<u>\$ 2,477,446</u>	<u>\$ 28,880</u>
Expenditures				
General Administration				
Personal services	317,377	239,173	\$ 98,748	\$ [140,425]
Contractual services	108,835	109,733	289,146	179,413
Commodities	24,088	79,202	157,750	78,548
Capital outlay	29,185	60,273	9,656	[50,617]
	<u>479,485</u>	<u>488,381</u>	<u>555,300</u>	<u>66,919</u>
Planning				
Personal services	-	-	197,702	197,702
Contractual services	28	59	36,996	36,937
Commodities	-	-	6,981	6,981
	<u>28</u>	<u>59</u>	<u>241,679</u>	<u>241,620</u>
Public works				
Personal services	197,555	178,940	204,090	25,150
Contractual services	49,098	43,909	56,222	12,313
Commodities	84,642	73,230	77,280	4,050
Capital outlay	20,286	7,403	27,500	20,097
	<u>351,581</u>	<u>303,482</u>	<u>365,092</u>	<u>61,610</u>
Culture and recreation				
Personal services	-	-	52,760	52,760
Contractual services	68,585	66,428	75,731	9,303
Commodities	10,527	8,156	26,752	18,596
Capital outlay	-	-	3,500	3,500
	<u>79,112</u>	<u>74,584</u>	<u>158,743</u>	<u>84,159</u>

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

CITY OF BALDWIN CITY, KANSAS

General Fund, (continued)
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Expenditures (Continued)				
Public safety				
Fire Department:				
Personal services	\$ 28,021	\$ 44,641	\$ 42,240	\$ [2,401]
Contractual services	30,301	24,453	36,110	11,657
Commodities	13,204	17,149	20,038	2,889
Capital outlay	<u>17,715</u>	<u>27,963</u>	<u>24,382</u>	<u>[3,581]</u>
	<u>89,241</u>	<u>114,206</u>	<u>122,770</u>	<u>8,564</u>
Police Department:				
Personal services	682,242	761,364	802,241	40,877
Contractual services	63,636	70,709	99,103	28,394
Commodities	45,911	49,580	51,527	1,947
Capital outlay	<u>36,667</u>	<u>21,576</u>	<u>10,000</u>	<u>[11,576]</u>
	<u>828,456</u>	<u>903,229</u>	<u>962,871</u>	<u>59,642</u>
Municipal Court				
Personal services	34,421	38,199	39,805	1,606
Contractual services	41,745	31,452	40,425	8,973
Commodities	932	319	1,100	781
Capital outlay	<u>1,029</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
	<u>78,127</u>	<u>69,970</u>	<u>82,330</u>	<u>12,360</u>
Economic Development				
Contractual services	22,853	25,083	40,000	14,917
Capital outlay	<u>16,013</u>	<u>43,499</u>	<u>40,000</u>	<u>[3,499]</u>
	<u>38,866</u>	<u>68,582</u>	<u>80,000</u>	<u>11,418</u>
Transfer out	<u>136,391</u>	<u>354,706</u>	<u>268,581</u>	<u>[86,125]</u>
	<u>136,391</u>	<u>354,706</u>	<u>268,581</u>	<u>[86,125]</u>
Total Expenditures	<u>2,081,287</u>	<u>2,377,199</u>	<u>\$ 2,837,366</u>	<u>\$ 460,167</u>
Receipts Over [Under] Expenditures	<u>154,197</u>	<u>129,127</u>		
Unencumbered Cash, Beginning	282,149	448,222		
Prior Period Adjustment - Prior Year Encumbrances	<u>11,876</u>	<u>-</u>		
Unencumbered Cash, Beginning	<u>294,025</u>	<u>448,222</u>		
Unencumbered Cash, Ending	<u>\$ 448,222</u>	<u>\$ 577,349</u>		

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

CITY OF BALDWIN CITY, KANSAS

Library Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 132,634	\$ 132,507	\$ 135,005	\$ [2,498]
Total Receipts	<u>132,634</u>	<u>132,507</u>	<u>\$ 135,005</u>	<u>\$ [2,498]</u>
Expenditures				
Culture and Recreation:				
Personal services	87,541	97,986	\$ 93,986	\$ [4,000]
Contractual services	9,483	8,347	8,176	[171]
Appropriation To Library Board	<u>35,610</u>	<u>26,174</u>	<u>32,843</u>	<u>6,669</u>
Total Expenditures	<u>132,634</u>	<u>132,507</u>	<u>\$ 135,005</u>	<u>\$ 2,498</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

CITY OF BALDWIN CITY, KANSAS

Special Parks and Recreation Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2014

(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Receipts				
Intergovernmental	\$ 10,468	\$ 9,592	\$ 10,672	\$ [1,080]
Park fees	875	700	500	200
Total Receipts	<u>11,343</u>	<u>10,292</u>	<u>\$ 11,172</u>	<u>\$ [880]</u>
Expenditures				
Culture and Recreation:				
Contractual services	226	6,000	\$ 28,500	\$ 22,500
Commodities	-	-	25,000	25,000
Capital outlay	-	42,752	36,170	[6,582]
Transfer out	<u>668</u>	<u>4,035</u>	<u>4,035</u>	<u>-</u>
Total Expenditures	<u>894</u>	<u>52,787</u>	<u>\$ 93,705</u>	<u>\$ 40,918</u>
Receipts Over [Under] Expenditures	10,449	[42,495]		
Unencumbered Cash, Beginning	<u>75,395</u>	<u>85,844</u>		
Unencumbered Cash, Ending	<u>\$ 85,844</u>	<u>\$ 43,349</u>		

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

CITY OF BALDWIN CITY, KANSAS

Special Highway Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Intergovernmental	\$ 127,160	\$ 129,382	\$ 131,420	\$ [2,038]
Total Receipts	<u>127,160</u>	<u>129,382</u>	<u>\$ 131,420</u>	<u>\$ [2,038]</u>
Expenditures				
Public works				
Contractual services	131,626	29,681	\$ 200,000	\$ 170,319
Commodities	-	-	30,000	30,000
Capital outlay	-	-	126,474	126,474
Transfer out	<u>21,398</u>	<u>28,903</u>	<u>28,903</u>	<u>-</u>
Total Expenditures	<u>153,024</u>	<u>58,584</u>	<u>\$ 385,377</u>	<u>\$ 326,793</u>
Receipts Over [Under] Expenditures	[25,864]	70,798		
Unencumbered Cash, Beginning	<u>295,378</u>	<u>269,514</u>		
Unencumbered Cash, Ending	<u>\$ 269,514</u>	<u>\$ 340,312</u>		

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

CITY OF BALDWIN CITY, KANSAS

Swimming Pool Sales Tax Revenue Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

		Current Year		
	Prior Year	Actual	Budget	Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Positive</u> <u>[Negative]</u>
Receipts				
Sales tax revenue	\$ -	\$ -	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Culture and Recreation:				
Contractual services	403	-	\$ -	\$ -
Commodities	-	-	105,353	105,353
Capital outlay	<u>15,272</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>15,675</u>	<u>-</u>	<u>\$ 105,353</u>	<u>\$ 105,353</u>
Receipts Over [Under] Expenditures	[15,675]	-		
Unencumbered Cash, Beginning	<u>110,627</u>	<u>94,952</u>		
Unencumbered Cash, Ending	<u>\$ 94,952</u>	<u>\$ 94,952</u>		

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

CITY OF BALDWIN CITY, KANSAS

General Reserve Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfer in	\$ 25,000	\$ 152,510
Licenses, permits, & fees	<u>268</u>	<u>-</u>
Total Receipts	<u>25,268</u>	<u>152,510</u>
Expenditures		
Capital outlay	<u>63,667</u>	<u>56,973</u>
Total Expenditures	<u>63,667</u>	<u>56,973</u>
Receipts Over [Under] Expenditures	<u>[38,399]</u>	<u>95,537</u>
Unencumbered Cash, Beginning	225,192	187,313
Prior Period Adjustment - Prior Year Encumbrances	<u>520</u>	<u>-</u>
Unencumbered Cash, Beginning, Restated	<u>225,712</u>	<u>187,313</u>
Unencumbered Cash, Ending	<u>\$ 187,313</u>	<u>\$ 282,850</u>

* This fund is not required to be budgeted.

SCHEDULE 2 - 7

CITY OF BALDWIN CITY, KANSAS

Cemetery Reserve Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 Year Ended December 31, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfer in	\$ -	\$ 30,000
Total Receipts	<u>-</u>	<u>30,000</u>
Expenditures		
Capital outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	-	30,000
Unencumbered Cash, Beginning	<u>105,659</u>	<u>105,659</u>
Unencumbered Cash, Ending	<u>\$ 105,659</u>	<u>\$ 135,659</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Cemetery Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 12,551	\$ 53,287	\$ 67,250	\$ [13,963]
Miscellaneous	<u>14,174</u>	<u>6,614</u>	<u>-</u>	<u>6,614</u>
Total Receipts	<u>26,725</u>	<u>59,901</u>	<u>\$ 67,250</u>	<u>\$ [7,349]</u>
Expenditures				
Personal services	-	45,027	\$ 47,313	\$ 2,286
Contractual services	10,533	4,647	6,641	1,994
Commodities	277	330	320	[10]
Capital outlay	17,223	690	4,043	3,353
Miscellaneous	-	-	500	500
Transfer out	<u>-</u>	<u>32,647</u>	<u>32,647</u>	<u>-</u>
Total Expenditures	<u>28,033</u>	<u>83,341</u>	<u>\$ 91,464</u>	<u>\$ 8,123</u>
Receipts Over [Under] Expenditures	[1,308]	[23,440]		
Unencumbered Cash, Beginning	<u>43,512</u>	<u>42,204</u>		
Unencumbered Cash, Ending	<u>\$ 42,204</u>	<u>\$ 18,764</u>		

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

CITY OF BALDWIN CITY, KANSAS

Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes	\$ 128,758	\$ 132,717	\$ 139,668	\$ [6,951]
Bond premium	120,968	-	-	-
Bond proceeds	3,340,000	-	-	-
Transfer in	<u>181,300</u>	<u>401,545</u>	<u>331,545</u>	<u>70,000</u>
Total Receipts	<u>3,771,026</u>	<u>534,262</u>	<u>\$ 471,213</u>	<u>\$ 63,049</u>
Expenditures				
Debt service:				
Principal	3,500,000	320,000	\$ 320,000	\$ -
Interest	<u>274,563</u>	<u>220,874</u>	<u>221,076</u>	<u>202</u>
Total Expenditures	<u>3,774,563</u>	<u>540,874</u>	<u>\$ 541,076</u>	<u>\$ 202</u>
Receipts Over [Under] Expenditures	[3,537]	[6,612]		
Unencumbered Cash, Beginning	<u>15,403</u>	<u>11,866</u>		
Unencumbered Cash, Ending	<u>\$ 11,866</u>	<u>\$ 5,254</u>		

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

CITY OF BALDWIN CITY, KANSAS

Capital Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 65,000	\$ 60,000
Total Receipts	<u>65,000</u>	<u>60,000</u>
Expenditures		
Public works		
Contractual services	115,401	-
Intergovernmental	6,000	820
Capital outlay	<u>71,857</u>	<u>129,705</u>
Total Expenditures	<u>193,258</u>	<u>130,525</u>
Receipts Over [Under] Expenditures	[128,258]	[70,525]
Unencumbered Cash, Beginning	<u>746,473</u>	<u>618,215</u>
Unencumbered Cash, Ending	<u>\$ 618,215</u>	<u>\$ 547,690</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Quality of Life Sales Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales tax revenue	\$ 93,934	\$ 96,447	\$ 95,368	\$ 1,079
Total Receipts	<u>93,934</u>	<u>96,447</u>	<u>\$ 95,368</u>	<u>\$ 1,079</u>
Expenditures				
Capital outlay	26,469	98,308	260,162	161,854
Transfers out	<u>15,000</u>	<u>50,841</u>	<u>75,841</u>	<u>25,000</u>
Total Expenditures	<u>41,469</u>	<u>149,149</u>	<u>\$ 336,003</u>	<u>\$ 186,854</u>
Receipts Over [Under] Expenditures	<u>52,465</u>	<u>[52,702]</u>		
Unencumbered Cash, Beginning	193,718	246,327		
Prior Period Adjustment - Prior Period Encumbrances	<u>144</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>193,862</u>	<u>246,327</u>		
Unencumbered Cash, Ending	<u>\$ 246,327</u>	<u>\$ 193,625</u>		

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

CITY OF BALDWIN CITY, KANSAS

Capital Improvement Sales Tax Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Sales tax revenue	\$ 192,897	\$ 185,000	\$ 7,897
Total Receipts	<u>192,897</u>	<u>\$ 185,000</u>	<u>\$ 7,897</u>
Expenditures			
Capital outlay	-	\$ 209,757	\$ 209,757
Transfers out	<u>278,211</u>	<u>278,211</u>	<u>-</u>
Total Expenditures	<u>278,211</u>	<u>\$ 487,968</u>	<u>\$ 209,757</u>
Receipts Over [Under] Expenditures	<u>[85,314]</u>		
Unencumbered Cash, Beginning	-		
Prior Period Adjustment			
Fund Previously Reported with Wastewater Utility Fund	<u>255,302</u>		
Unencumbered Cash, Beginning, Restated	<u>255,302</u>		
Unencumbered Cash, Ending	<u>\$ 169,988</u>		

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

CITY OF BALDWIN CITY, KANSAS

Library Expansion Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Bond proceeds	\$ 490,000	\$ -
Bond premium	18,482	-
Miscellaneous	120,000	140,155
Transfers in	<u>-</u>	<u>395</u>
Total Receipts	<u>628,482</u>	<u>140,550</u>
Expenditures		
Contractual services	153,995	612,293
Use of money and property	<u>2,744</u>	<u>-</u>
Total Expenditures	<u>156,739</u>	<u>612,293</u>
Receipts Over [Under] Expenditures	471,743	[471,743]
Unencumbered Cash, Beginning	<u>-</u>	<u>471,743</u>
Unencumbered Cash, Ending	<u>\$ 471,743</u>	<u>\$ -</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Electric System Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales to consumers	\$ 4,236,656	\$ 4,351,967	\$ 4,456,640	\$ [104,673]
Reimbursed expenses	14,228	-	1,125	[1,125]
Rental of property	2,955	-	-	-
Bond proceeds	-	6,057,301	-	6,057,301
Use of money and property	<u>3,127</u>	<u>4,243</u>	<u>4,000</u>	<u>243</u>
Total Receipts	<u>4,256,966</u>	<u>10,413,511</u>	<u>\$ 4,461,765</u>	<u>\$ 5,951,746</u>
Expenditures				
Generation	324,663	429,060	\$ 573,499	\$ 144,439
Distribution	476,099	602,836	648,962	46,126
Acquisition	1,908,859	2,165,870	2,160,000	[5,870]
General administration	205,391	316,174	315,435	[739]
Capital outlay	-	-	906,926	906,926
Principal	420,000	5,855,000	440,000	[5,415,000]
Interest	262,490	244,222	245,690	1,468
Bond issuance costs	-	77,254	-	[77,254]
Transfers out	535,454	879,633	879,633	-
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>6,057,301</u>	<u>6,057,301</u>
Total Expenditures	<u>4,132,956</u>	<u>10,570,049</u>	<u>\$ 12,227,446</u>	<u>\$ 1,657,397</u>
Receipts Over [Under] Expenditures	<u>124,010</u>	<u>[156,538]</u>		
Unencumbered Cash, Beginning	1,542,398	1,693,139		
Prior Period Adjustment - Prior Year Encumbrances	<u>26,731</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>1,569,129</u>	<u>1,693,139</u>		
Unencumbered Cash, Ending	<u>\$ 1,693,139</u>	<u>\$ 1,536,601</u>		

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

CITY OF BALDWIN CITY, KANSAS

Electric Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfer in	\$ 200,000	\$ 400,000
Total Receipts	<u>200,000</u>	<u>400,000</u>
Expenditures		
Contractual service	171,422	26,897
Capital outlay	<u>94,098</u>	<u>114,548</u>
Total Expenditures	<u>265,520</u>	<u>141,445</u>
Receipts Over [Under] Expenditures	[65,520]	258,555
Unencumbered Cash, Beginning	<u>149,110</u>	<u>83,590</u>
Unencumbered Cash, Ending	<u>\$ 83,590</u>	<u>\$ 342,145</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Water System Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales to consumers	\$ 1,495,440	\$ 1,475,721	\$ 1,640,640	\$ [164,919]
Miscellaneous	54,587	4,328	1,000	3,328
Use of money and property	847	2,451	1,000	1,451
Total Receipts	<u>1,550,874</u>	<u>1,482,500</u>	<u>\$ 1,642,640</u>	<u>\$ [160,140]</u>
Expenditures				
Acquisition and distribution	630,036	708,113	\$ 918,016	\$ 209,903
General administration	545,805	543,067	475,480	[67,587]
Capital outlay	-	7,457	1,004,374	996,917
Principal	85,000	90,000	90,000	-
Interest	17,154	14,785	14,785	-
Bond issuance costs	-	270	3,177	2,907
Transfers out	160,438	275,304	275,304	-
Total Expenditures	<u>1,438,433</u>	<u>1,638,996</u>	<u>\$ 2,781,136</u>	<u>\$ 1,142,140</u>
Receipts Over [Under] Expenditures	<u>112,441</u>	<u>[156,496]</u>		
Unencumbered Cash, Beginning	1,213,251	1,329,254		
Prior Period Adjustment - Prior Year Encumbrances	<u>3,562</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>1,216,813</u>	<u>1,329,254</u>		
Unencumbered Cash, Ending	<u>\$ 1,329,254</u>	<u>\$ 1,172,758</u>		

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

CITY OF BALDWIN CITY, KANSAS

Water Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Water connection fees	\$ 4,350	\$ 3,851
Transfer in	<u>30,000</u>	<u>100,000</u>
Total Receipts	<u>34,350</u>	<u>103,851</u>
Expenditures		
Contractual services	2,805	-
Capital projects	<u>10,989</u>	<u>25,209</u>
Total Expenditures	<u>13,794</u>	<u>25,209</u>
Receipts Over [Under] Expenditures	20,556	78,642
Unencumbered Cash, Beginning	<u>279,248</u>	<u>299,804</u>
Unencumbered Cash, Ending	<u>\$ 299,804</u>	<u>\$ 378,446</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Sewer Project Fund
 Schedule of Receipts and Expenditures - Actual *
 Regulatory Basis
 For the Year Ended December 31, 2014 and 2013

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Connection fees	\$ 2,200	\$ 5,600
Total Receipts	<u>2,200</u>	<u>5,600</u>
Expenditures		
Transfers out	-	52,712
Total Expenditures	<u>-</u>	<u>52,712</u>
Receipts Over [Under] Expenditures	2,200	[47,112]
Unencumbered Cash, Beginning	<u>152,712</u>	<u>154,912</u>
Unencumbered Cash, Ending	<u>\$ 154,912</u>	<u>\$ 107,800</u>

* This fund is not required to be budgeted.

CITY OF BALDWIN CITY, KANSAS

Wastewater Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Receipts				
Sales to consumers	\$ 761,864	\$ 763,761	\$ 775,560	\$ [11,799]
Intergovernmental	187,866	-	-	-
Miscellaneous	18,329	8,189	9,047	[858]
Bond premium	137,229	-	-	-
Bond proceeds	3,335,000	-	-	-
Transfer in	-	52,712	-	52,712
Use of money and property	321	883	1,500	[617]
Total Receipts	<u>4,440,609</u>	<u>825,545</u>	<u>\$ 786,107</u>	<u>\$ 39,438</u>
Expenditures				
Treatment and collection	215,781	152,535	\$ 189,512	\$ 36,977
General administration	247,230	289,637	321,145	31,508
Principal	3,467,502	288,854	288,854	-
Bond issuance cost	61,524	-	-	-
Interest	59,826	99,348	104,147	4,799
Transfers out	144,901	33,878	33,878	-
Total Expenditures	<u>4,196,764</u>	<u>864,252</u>	<u>\$ 937,536</u>	<u>\$ 73,284</u>
Receipts Over [Under] Expenditures	<u>243,845</u>	<u>[38,707]</u>		
Unencumbered Cash, Beginning	253,370	497,979		
Prior Period Adjustment - Prior Year Encumbrances	764	-		
Prior Period Adjustment - Capital Improvement Sales Tax Fund Fund Previously Reported With Wastewater Utility Fund	-	<u>[255,302]</u>		
Unencumbered Cash, Beginning, Restated	<u>254,134</u>	<u>242,677</u>		
Unencumbered Cash, Ending	<u>\$ 497,979</u>	<u>\$ 203,970</u>		

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

CITY OF BALDWIN CITY, KANSAS

Refuse Utility Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Sales to consumers	\$ 198,176	\$ 219,902	\$ 216,099	\$ 3,803
Total Receipts	<u>198,176</u>	<u>219,902</u>	<u>\$ 216,099</u>	<u>\$ 3,803</u>
Expenditures				
Collection	183,229	191,715	\$ 194,839	\$ 3,124
Transfers out	8,300	9,585	9,585	-
General administration	<u>424</u>	<u>1,277</u>	<u>-</u>	<u>[1,277]</u>
Total Expenditures	<u>191,953</u>	<u>202,577</u>	<u>\$ 204,424</u>	<u>\$ 1,847</u>
Receipts Over [Under] Expenditures	6,223	17,325		
Unencumbered Cash, Beginning	<u>8,322</u>	<u>14,545</u>		
Unencumbered Cash, Ending	<u>\$ 14,545</u>	<u>\$ 31,870</u>		

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

SCHEDULE 3

CITY OF BALDWIN CITY, KANSAS

Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 Related Municipal Entity - Baldwin City Library
 For the Year Ended December 31, 2014

Receipts	
City appropriations	\$ 35,609
Charges for services	5,730
Grants and donations	48,849
Use of money and property	<u>5,041</u>
Total Receipts	<u>95,229</u>
Expenditures and Transfers	
Culture and recreation	<u>232,339</u>
Total Expenditures and Transfers	<u>232,339</u>
Receipts Over [Under] Expenditures	[137,110]
Unencumbered Cash, Beginning	<u>481,080</u>
Unencumbered Cash, Ending	<u>\$ 343,970</u>

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