

**MUNICIPALITY OF PHILIP, SD**  
**STATEMENT OF NET POSITION**  
December 31, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	1,590,341.96	1,193,192.99	2,783,534.95
Certificates of Deposit	73,000.00	72,000.00	145,000.00
Accounts Receivable, Net	113,410.89	58,260.25	171,671.14
Inventories	55,818.19	32,537.10	88,355.29
Net Pension Liability (Asset)	55,360.66	13,840.15	69,200.81
Capital Assets:			
Land, Improvements and Construction in Progress	181,534.61	34,757.00	216,291.61
Other Capital Assets, Net of Depreciation	5,350,299.00	3,078,126.67	8,428,425.67
<b>TOTAL ASSETS</b>	<b>7,419,765.31</b>	<b>4,482,714.16</b>	<b>11,902,479.47</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pension Related Deferred Outflows	97,996.25	24,499.07	122,495.32
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>97,996.25</b>	<b>24,499.07</b>	<b>122,495.32</b>
<b>LIABILITIES :</b>			
Accounts Payable	6,947.51	397.85	7,345.36
Other Current Liabilities	6,479.14	16,125.28	22,604.42
Unearned Revenue	-	1,480.50	1,480.50
Noncurrent Liabilities:			
Due Within One Year	81,259.85	34,420.08	115,679.93
Due in More than One Year	1,003,308.33	1,133,280.32	2,136,588.65
<b>TOTAL LIABILITIES</b>	<b>1,097,994.83</b>	<b>1,185,704.03</b>	<b>2,283,698.86</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pension Related Deferred Inflows	81,685.72	20,421.44	102,107.16
Other Deferred Inflows	14,111.33	-	14,111.33
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>95,797.05</b>	<b>20,421.44</b>	<b>116,218.49</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	4,472,183.12	1,958,762.89	6,430,946.01
Restricted for:			
Debt Service Purposes	-	37,000.00	37,000.00
SDRS Pension	71,671.19	17,917.78	89,588.97
Unrestricted (Deficit)	1,780,115.37	1,287,407.09	3,067,522.46
<b>TOTAL NET POSITION</b>	<b>6,323,969.68</b>	<b>3,301,087.76</b>	<b>9,625,057.44</b>

**MUNICIPALITY OF PHILIP, SD**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2015**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General Government	232,402.62	11,047.36	2,878.00	-	(218,477.26)		(218,477.26)
Public Safety	159,294.37	3,810.74	-	-	(155,483.63)		(155,483.63)
Public Works	443,990.65	22,681.13	46,708.17	674,128.00	299,526.65		299,526.65
Health and Welfare	14,143.48	1,497.83	-	-	(12,645.65)		(12,645.65)
Culture and Recreation	87,563.79	20,532.36	-	-	(67,031.43)		(67,031.43)
Conservation and Development	8,581.39	-	-	-	(8,581.39)		(8,581.39)
Interest on Long-term Debt	36,843.99	-	-	-	(36,843.99)		(36,843.99)
<b>Total Governmental Activities</b>	<b>982,820.29</b>	<b>59,569.42</b>	<b>49,586.17</b>	<b>674,128.00</b>	<b>(199,536.70)</b>		<b>(199,536.70)</b>
Business-type Activities:							
Water	218,939.74	259,802.40	-	-		40,862.66	40,862.66
Sewer	126,394.24	108,742.96	-	-		(17,651.28)	(17,651.28)
Garbage	64,402.89	68,735.18	-	-		4,332.29	4,332.29
<b>Total Business-type Activities</b>	<b>409,736.87</b>	<b>437,280.54</b>	<b>-</b>	<b>-</b>		<b>27,543.67</b>	<b>27,543.67</b>
<b>Total Primary Government</b>	<b>1,392,557.16</b>	<b>496,849.96</b>	<b>49,586.17</b>	<b>674,128.00</b>	<b>(199,536.70)</b>	<b>27,543.67</b>	<b>(171,993.03)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes					389,444.13	-	389,444.13
Sales Taxes					560,564.59	-	560,564.59
State Shared Revenues					13,497.23	-	13,497.23
Grants and Contributions not Restricted to Specific Programs					3,550.00	-	3,550.00
Unrestricted Investment Earnings					5,923.19	6,234.83	12,158.02
Miscellaneous Revenue					72,941.98	115.00	73,056.98
<b>Transfers</b>					-	-	-
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>1,045,921.12</b>	<b>6,349.83</b>	<b>1,052,270.95</b>
<b>Change in Net Position</b>					<b>846,384.42</b>	<b>33,893.50</b>	<b>880,277.92</b>
<b>Net Position-Beginning</b>					<b>5,413,925.06</b>	<b>3,251,279.22</b>	<b>8,665,204.28</b>
Adjustments:							
Prior Period Adjustment - GASB 68					63,660.20	15,915.04	79,575.24
<b>Adjusted Net Position-Beginning</b>					<b>5,477,585.26</b>	<b>3,267,194.26</b>	<b>8,744,779.52</b>
<b>NET POSITION - ENDING</b>					<b>6,323,969.68</b>	<b>3,301,087.76</b>	<b>9,625,057.44</b>

**MUNICIPALITY OF PHILIP, SD**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2015**

	<b>General Fund</b>	<b>Nonmajor Capital Project Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>			
Assets:			
Cash and Cash Equivalents	1,590,341.96	-	1,590,341.96
Certificates of Deposit	73,000.00	-	73,000.00
110 Taxes Receivable--Delinquent	396.06	-	396.06
115 Accounts Receivable, Net	3,222.21	-	3,222.21
117 Unbilled Accounts Receivable	3,295.02	-	3,295.02
121 Special Assessments Receivable--Current	13,582.52	-	13,582.52
123 Special Assessments Receivable--Deferred	14,111.33	-	14,111.33
132 Due from Other Governments	78,803.75	-	78,803.75
141 Inventory of Supplies	55,818.19	-	55,818.19
<b>Total Assets</b>	<b>1,832,571.04</b>	<b>-</b>	<b>1,832,571.04</b>
Deferred Outflows of Resources:			
198 Other Deferred Outflows of Resources	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,832,571.04</b>	<b>-</b>	<b>1,832,571.04</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>			
Liabilities:			
202 Accounts Payable	6,947.51	-	6,947.51
<b>Total Liabilities</b>	<b>6,947.51</b>	<b>-</b>	<b>6,947.51</b>
Deferred Inflows of Resources:			
245 Unavailable Revenue--Property Taxes	396.06	-	396.06
246 Unavailable Revenue--Special Assessments	27,693.85	-	27,693.85
<b>Total Deferred Inflows of Resources</b>	<b>28,089.91</b>	<b>-</b>	<b>28,089.91</b>
Fund Balances:			
263 Nonspendable	55,818.19	-	55,818.19
265 Committed	447,068.92	-	447,068.92
266 Assigned	46,600.00	-	46,600.00
267 Unassigned	1,248,046.51	-	1,248,046.51
<b>Total Fund Balances</b>	<b>1,797,533.62</b>	<b>-</b>	<b>1,797,533.62</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>1,832,571.04</b>	<b>-</b>	<b>1,832,571.04</b>

**MUNICIPALITY OF PHILIP, SD**  
**Reconciliation of the Governmental funds Balance Sheet to the Statement of Net Position**  
**December 31, 2015**

Total Fund Balances - Governmental Funds		<u>1,797,533.62</u>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		<u>5,531,833.61</u>
Long-term liabilities, including bonds payable and accrued leave payable are not due and payables in the current period and therefore are not reported in the funds.		<u>(1,019,376.13)</u>
Bonds	<u>(1,059,650.49)</u>	
Accrued Interest	<u>(6,479.13)</u>	
Accrued Leave	<u>(24,917.70)</u>	
Net Pension Liability	<u>71,671.19</u>	
Assets such as taxes receivable (delinquent) and special assessment receivables (current, delinquent and deferred) are not available to pay for current period expenditures and therefore are deferred in the funds.		<u>13,978.58</u>
Net Position - Governmental Activities		<u><u>6,323,969.68</u></u>

**MUNICIPALITY OF PHILIP, SD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2015**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
310 Taxes:			
311 General Property Taxes	394,408.06	-	394,408.06
313 General Sales and Use Taxes	560,564.59	-	560,564.59
315 Amusement Taxes	108.00	-	108.00
318 Tax Deed Revenue	514.40	-	514.40
319 Penalties and Interest on Delinquent Taxes	1,544.15	-	1,544.15
320 Licenses and Permits	8,120.00	-	8,120.00
330 Intergovernmental Revenue:			
331 Federal Grants	49,486.16	-	49,486.16
334 State Grants	5,274.58	-	5,274.58
335 State Shared Revenue:			
335.01 Bank Franchise Tax	7,404.01	-	7,404.01
335.02 Motor Vehicle Commercial Prorate	4,445.16	-	4,445.16
335.03 Liquor Tax Reversion	6,093.22	-	6,093.22
335.04 Motor Vehicle Licenses (5%)	13,315.49	-	13,315.49
335.08 Local Government Highway and Bridge Fund	23,539.57	-	23,539.57
338 County Shared Revenue:			
338.01 County Road Tax (25%)	2,847.69	-	2,847.69
338.02 County Highway and Bridge Reserve Tax (25%)	342.66	-	342.66
338.03 County Wheel Tax	2,217.60	-	2,217.60
340 Charges for Goods and Services:			
344 Sanitation	18,747.64	-	18,747.64
345 Health	1,497.83	-	1,497.83
346 Culture and Recreation	20,325.46	-	20,325.46
350 Fines and Forfeits:			
351 Court Fines and Costs	214.50	-	214.50
353 Parking Meter Fines	90.00	-	90.00
359 Other	40.00	-	40.00
360 Miscellaneous Revenue:			
361 Investment Earnings	5,923.19	-	5,923.19
362 Rentals	2,666.89	-	2,666.89
363 Special Assessments	7,449.32	-	7,449.32
367 Contributions and Donations from Private Sources	612,449.10	-	612,449.10
369 Other	42,386.32	-	42,386.32
385 Airport	30,045.67	-	30,045.67
Total Revenue	1,822,061.26	-	1,822,061.26
<b>Expenditures:</b>			
410 General Government:			
411 Legislative	37,163.12	-	37,163.12
412 Executive	23,251.37	-	23,251.37
413 Elections	436.07	-	436.07
414 Financial Administration	123,246.43	-	123,246.43
419 Other	46,489.37	-	46,489.37
Total General Government	230,586.36	-	230,586.36

**MUNICIPALITY OF PHILIP, SD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2015**

	General Fund	Other Governmental Funds	Total Governmental Funds
420 Public Safety:			
421 Police	140,973.03	-	140,973.03
422 Fire	11,597.66	-	11,597.66
423 Protective Inspection	737.34	-	737.34
Total Public Safety	153,308.03	-	153,308.03
430 Public Works:			
431 Highways and Streets	161,620.01	-	161,620.01
432 Sanitation	1,530.21	-	1,530.21
435 Airport	20,128.65	-	20,128.65
Total Public Works	183,278.87	-	183,278.87
440 Health and Welfare:			
441 Health	11,380.48	-	11,380.48
446 Ambulance	2,763.00	-	2,763.00
Total Health and Welfare	14,143.48	-	14,143.48
450 Culture and Recreation:			
451 Recreation	56,920.54	-	56,920.54
452 Parks	8,250.95	-	8,250.95
455 Libraries	1,200.00	-	1,200.00
Total Culture and Recreation	66,371.49	-	66,371.49
460 Conservation and Development:			
465 Economic Development and Assistance (Industrial Development)	8,581.39	-	8,581.39
Total Conservation and Development	8,581.39	-	8,581.39
470 Debt Service	97,512.59	-	97,512.59
485 Capital Outlay	717,873.34	-	717,873.34
Total Expenditures	1,471,655.55	-	1,471,655.55
Excess of Revenues Over (Under) Expenditures	350,405.71	-	350,405.71
<b>Other Financing Sources (Uses):</b>			
391.01 Transfers In	56,504.56	-	56,504.56
391.04 Compensation for Loss or Damage to Capital Assets	510.00	-	510.00
511 Transfers Out	-	(56,504.56)	(56,504.56)
Total Other Financing Sources (Uses)	57,014.56	(56,504.56)	510.00
Net Change in Fund Balances	407,420.27	(56,504.56)	350,915.71
Changes in Nonspendable	12,580.11	-	12,580.11
Fund Balance - Beginning	1,377,533.24	56,504.56	1,434,037.80
FUND BALANCE- ENDING	1,797,533.62	-	1,797,533.62

**MUNICIPALITY OF PHILIP, SD**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances to the Statement of Activities**  
**For the Year Ended December 31, 2015**

Net Change in Fund Balances - Total Governmental Funds	<u>350,915.71</u>
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government wide statements.	<u>717,873.34</u>
This amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources.	<u>(305,820.15)</u>
Payment of principal on long-term debt is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net assets.	<u>60,472.72</u>
Revenue Bond           \$                   60,472.72	
The fund financial statement governmental fund property tax accruals differ from the government wide statement property tax accruals in that the fund financial statements require the amounts to be "available".	<u>(1,233.64)</u>
Governmental funds recognize expenditures for amounts of compensated absences actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences earned by employees are not recognized in the funds. In the statement of activities, expenses for these benefits are recognized when the employees earn leave credits.	<u>3,389.47</u>
Vacation Leave           \$                   3,389.47	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (e.g., accrued interest revenue, pension revenue)	<u>7,867.10</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (e.g., accrued interest expense, pension expense)	<u>339.78</u>
Supplies acquired are an expenditure on the fund statements when purchased but are expensed on the statement of activities when consumed. This amount represents the "change in" inventory of supplies. Increase (decrease)	<u>12,580.11</u>
Change in Net Position of Governmental Activities	<u><u>846,384.44</u></u>

**MUNICIPALITY OF PHILIP, SD**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2015**

	Enterprise Funds			Totals
	Water Fund	Sewer Fund	Garbage Fund	
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	674,568.60	467,854.91	50,769.48	1,193,192.99
Certificates of Deposit	40,000.00	12,000.00	20,000.00	72,000.00
115 Accounts Receivable, Net	1,170.29	406.48	360.60	1,937.37
117 Unbilled Accounts Receivable	31,876.18	14,903.86	9,542.84	56,322.88
141 Inventory of Supplies	31,415.88	1,121.22	-	32,537.10
<b>Total Current Assets</b>	<b>779,030.95</b>	<b>496,286.47</b>	<b>80,672.92</b>	<b>1,355,990.34</b>
Noncurrent Assets:				
189 Net Pension Liability (Asset)	8,996.10	4,152.04	692.01	13,840.15
Capital Assets:				
160 Land	-	30,757.00	-	30,757.00
164 Improvements Other Than Buildings	2,515,070.45	2,426,699.30	4,379.99	4,946,149.74
166 Machinery and Equipment	184,521.87	53,287.19	-	237,809.06
168 Construction Work in Progress	4,000.00	-	-	4,000.00
Less: Accumulated Depreciation (Credit)	(928,998.22)	(1,172,453.92)	(4,379.99)	(2,105,832.13)
<b>Total Noncurrent Assets</b>	<b>1,783,590.20</b>	<b>1,342,441.61</b>	<b>692.01</b>	<b>3,126,723.82</b>
<b>TOTAL ASSETS</b>	<b>2,562,621.15</b>	<b>1,838,728.08</b>	<b>81,364.93</b>	<b>4,482,714.16</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
196 Pension Related Deferred Outflows	15,924.39	7,349.73	1,224.95	24,499.07
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>15,924.39</b>	<b>7,349.73</b>	<b>1,224.95</b>	<b>24,499.07</b>
<b>LIABILITIES:</b>				
Current Liabilities:				
202 Accounts Payable	87.58	267.69	42.58	397.85
215 Accrued Interest Payable	1,458.50	5,749.71	-	7,208.21
220 Customer Deposits	8,917.07	-	-	8,917.07
223 Unearned Revenue	1,480.50	-	-	1,480.50
226 Bonds Payable Current:				-
226.02 Revenue	10,934.91	12,621.47	-	23,556.38
230 Compensated Absences Payable -- Current	7,913.90	2,949.80	-	10,863.70
<b>Total Current Liabilities</b>	<b>30,792.46</b>	<b>21,588.67</b>	<b>42.58</b>	<b>52,423.71</b>
Noncurrent Liabilities:				
231 Bonds Payable:				
231.02 Revenue	553,885.80	576,678.60	-	1,130,564.40
233 Accrued Leave Payable	1,978.47	737.45	-	2,715.92
<b>Total Noncurrent Liabilities</b>	<b>555,864.27</b>	<b>577,416.05</b>	<b>-</b>	<b>1,133,280.32</b>
<b>TOTAL LIABILITIES</b>	<b>586,656.73</b>	<b>599,004.72</b>	<b>42.58</b>	<b>1,185,704.03</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
248 Pension Related Deferred Inflows	13,273.93	6,126.43	1,021.08	20,421.44
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>13,273.93</b>	<b>6,126.43</b>	<b>1,021.08</b>	<b>20,421.44</b>
<b>NET POSITION:</b>				
253.10 Net Investment in Capital Assets	1,209,773.39	748,989.50	-	1,958,762.89
253.20 Restricted for:				
253.21 Revenue Bond Debt Service	37,000.00	-	-	37,000.00
253.29 SDRS Pension	11,646.56	5,375.34	895.88	17,917.78
253.90 Unrestricted	720,194.93	486,581.82	80,630.34	1,287,407.09
<b>TOTAL NET POSITION</b>	<b>1,978,614.88</b>	<b>1,240,946.66</b>	<b>81,526.22</b>	<b>3,301,087.76</b>



**MUNICIPALITY OF PHILIP, SD**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2015**

	Enterprise Funds			Totals
	Water Fund	Sewer Fund	Garbage Fund	
<b>Operating Revenue:</b>				
370/380 Charges for Goods and Services	254,460.67	108,152.93	68,566.84	431,180.44
367 Contributions and Donations	4,000.00	-	-	4,000.00
369 Miscellaneous	63.33	-	70.00	133.33
390 Pension Revenue	1,278.40	590.03	98.34	1,966.77
Total Operating Revenue	259,802.40	108,742.96	68,735.18	437,280.54
<b>Operating Expenses:</b>				
410 Personal Services	54,974.33	32,524.43	4,603.86	92,102.62
420 Other Current Expense	1,483.29	5,767.92	-	7,251.21
426.2 Materials (Cost of Goods Sold)	84,648.70	4,164.11	59,799.03	148,611.84
457 Depreciation	51,967.33	62,956.88	-	114,924.21
Total Operating Expenses	193,073.65	105,413.34	64,402.89	362,889.88
Operating Income (Loss)	66,728.75	3,329.62	4,332.29	74,390.66
<b>Nonoperating Revenue (Expense):</b>				
361 Investment Earnings	3,337.63	2,558.70	338.50	6,234.83
362 Rental Revenue	-	115.00	-	115.00
442 Interest Expense	(25,866.09)	(20,980.90)	-	(46,846.99)
Total Nonoperating Revenue (Expense)	(22,528.46)	(18,307.20)	338.50	(40,497.16)
Income (Loss) Before Contributions, Special Items, Extraordinary Items and Transfers	44,200.29	(14,977.58)	4,670.79	33,893.50
Change in Net Position	44,200.29	(14,977.58)	4,670.79	33,893.50
Net Position - Beginning	1,924,069.81	1,251,149.73	76,059.68	3,251,279.22
Adjustments:				
Prior Period Adjustment - GASB 68	10,344.78	4,774.51	795.75	15,915.04
Adjusted Net Position - Beginning	1,934,414.59	1,255,924.24	76,855.43	3,267,194.26
NET POSITION - ENDING	1,978,614.88	1,240,946.66	81,526.22	3,301,087.76

**MUNICIPALITY OF PHILIP, SD**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2015**

	Enterprise Funds			Totals
	Water Fund	Sewer Fund	Garbage Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Receipts from Customers	249,194.77	107,508.43	68,405.34	425,108.54
Cash Receipts for Interfund Services Provided	2,227.13	375.16	-	2,602.29
Other Operating Cash Receipts	4,000.00	-	-	4,000.00
Cash Payments to Employees for Services	(54,164.27)	(32,651.44)	(4,605.65)	(91,421.36)
Cash Payments to Suppliers of Goods and Services	(86,274.24)	(10,001.52)	(59,756.45)	(156,032.21)
Net Cash Provided (Used) by Operating Activities	114,983.39	65,230.63	4,043.24	184,257.26
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of Capital Assets	(4,000.00)	-	-	(4,000.00)
Principal Paid on Capital Debt	(10,452.27)	(12,023.13)	-	(22,475.40)
Interest Paid on Capital Debt	(26,375.73)	(19,302.65)	-	(45,678.38)
Other Receipts (Payments)	-	115.00	-	115.00
Net Cash Provided (Used) by Capital and Related Financing Activities	(40,828.00)	(31,210.78)	-	(72,038.78)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Cash Received for Interest	3,337.63	2,558.70	338.50	6,234.83
Net Cash Provided (Used) by Investing Activities	3,337.63	2,558.70	338.50	6,234.83
Net Increase (Decrease) in Cash and Cash Equivalents	77,493.02	36,578.55	4,381.74	118,453.31
Balances - Beginning	597,175.58	431,276.36	46,387.74	1,074,839.68
Balances- Ending	674,668.60	467,854.91	50,769.48	1,193,292.99
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	66,728.75	3,329.62	4,332.29	74,390.66
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	51,967.33	62,956.88	-	114,924.21
Change in Assets and Liabilities:				
Receivables	(3,230.52)	(269.34)	(231.50)	(3,731.36)
Inventories	(329.83)	(146.17)	-	(476.00)
Net Pension Related Asset	(1,301.78)	(600.83)	(100.13)	(2,002.74)
Accounts and Other Payables	87.58	76.68	42.58	206.84
Accrued Leave Payable	833.44	(116.21)	-	717.23
Customer Deposits	500.00	-	-	500.00
Unearned Revenue	(371.58)	-	-	(371.58)
Net Cash Provided (Used) by Operating Activities	114,883.39	65,230.63	4,043.24	184,157.26

**REQUIRED SUPPLEMENTARY INFORMATION**  
**MUNICIPALITY OF PHILIP, SD**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2015**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
310 Taxes:				
311 General Property Taxes	397,800.00	397,800.00	394,408.06	(3,391.94)
313 General Sales and Use Taxes	420,000.00	420,000.00	560,564.59	140,564.59
315 Amusement Taxes	300.00	300.00	108.00	(192.00)
318 Tax Deed Revenue	-	-	514.40	514.40
319 Penalties and Interest on Delinquent Taxes	500.00	500.00	1,544.15	1,044.15
320 Licenses and Permits	7,925.00	7,925.00	8,120.00	195.00
330 Intergovernmental Revenue:				
331 Federal Grants	14,125.00	33,952.00	49,486.16	15,534.16
334 State Grants	375.00	4,297.00	5,274.58	977.58
335 State Shared Revenue:				
335.01 Bank Franchise Tax	12,000.00	12,000.00	7,404.01	(4,595.99)
335.02 Motor Vehicle Commercial Prorate	4,300.00	4,300.00	4,445.16	145.16
335.03 Liquor Tax Reversion	5,500.00	5,500.00	6,093.22	593.22
335.04 Motor Vehicle Licenses (5%)	11,000.00	11,000.00	13,315.49	2,315.49
335.08 Local Government Highway and Bridge Fund	20,150.00	20,150.00	23,539.57	3,389.57
338 County Shared Revenue:				
338.01 County Road Tax (25%)	2,850.00	2,850.00	2,847.69	(2.31)
338.02 County Highway and Bridge Reserve Tax (25%)	300.00	300.00	342.66	42.66
338.03 County Wheel Tax	2,130.00	2,130.00	2,217.60	87.60
340 Charges for Goods and Services:				
344 Sanitation	11,500.00	11,500.00	18,747.64	7,247.64
345 Health	500.00	500.00	1,497.83	997.83
346 Culture and Recreation	17,500.00	17,500.00	20,325.46	2,825.46
350 Fines and Forfeits:				
351 Court Fines and Costs	200.00	200.00	214.50	14.50
353 Parking Meter Fines	200.00	200.00	90.00	(110.00)
359 Other	100.00	100.00	40.00	(60.00)
360 Miscellaneous Revenue:				
361 Investment Earnings	5,000.00	5,000.00	5,923.19	923.19
362 Rentals	750.00	750.00	2,666.89	1,916.89
363 Special Assessments	11,005.00	11,005.00	7,449.32	(3,555.68)
367 Contributions and Donations from Private Sources	20,075.00	20,075.00	612,449.10	592,374.10
369 Other	39,240.00	39,240.00	42,386.32	3,146.32
385 Airport	-	-	30,045.67	30,045.67
<b>Total Revenue</b>	<b>1,005,325.00</b>	<b>1,029,074.00</b>	<b>1,822,061.26</b>	<b>792,987.26</b>
<b>Expenditures:</b>				
410 General Government:				
411 Legislative	40,000.00	41,500.00	37,163.12	4,336.88
411.5 Contingency Amount Transferred	57,385.00	57,385.00 (13,550.00)		43,835.00
412 Executive	22,115.00	23,730.00	23,251.37	478.63
413 Elections	750.00	750.00	436.07	313.93
414 Financial Administration	140,135.00	142,060.00	123,246.43	18,813.57
419 Other	53,890.00	55,140.00	46,489.37	8,650.63
<b>Total General Government</b>	<b>314,275.00</b>	<b>307,015.00</b>	<b>230,586.36</b>	<b>76,428.64</b>

**REQUIRED SUPPLEMENTARY INFORMATION**  
**MUNICIPALITY OF PHILIP, SD**  
**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS**  
**GENERAL FUND**  
**For the Year Ended December 31, 2015**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget - Positive (Negative)</b>
420 Public Safety:				
421 Police	158,950.00	159,150.00	140,973.03	18,176.97
422 Fire	16,040.00	18,240.00	11,597.66	6,642.34
429 Other Protection	1,450.00	1,450.00	737.34	712.66
Total Public Safety	<u>176,440.00</u>	<u>178,840.00</u>	<u>153,308.03</u>	<u>25,531.97</u>
430 Public Works:				
431 Highways and Streets	433,350.00	437,230.00	746,507.89	(309,277.89)
432 Sanitation	6,375.00	6,420.00	208,850.96	(202,430.96)
435 Airport	50,100.00	71,251.00	43,305.95	27,945.05
Total Public Works	<u>489,825.00</u>	<u>514,901.00</u>	<u>998,664.80</u>	<u>(483,763.80)</u>
440 Health and Welfare:				
441 Health	9,300.00	12,223.00	11,378.49	844.51
444 Humane Society	150.00	150.00	1.99	148.01
446 Ambulance	2,800.00	2,800.00	2,763.00	37.00
Total Health and Welfare	<u>12,250.00</u>	<u>15,173.00</u>	<u>14,143.48</u>	<u>1,029.52</u>
450 Culture and Recreation:				
451 Recreation	68,100.00	68,260.00	56,920.54	11,339.46
452 Parks	6,250.00	10,750.00	8,250.95	2,499.05
455 Libraries	1,200.00	1,200.00	1,200.00	-
Total Culture and Recreation	<u>75,550.00</u>	<u>80,210.00</u>	<u>66,371.49</u>	<u>13,838.51</u>
460 Conservation and Development:				
465 Economic Development and Assistance (Industrial Development)	6,360.00	6,810.00	8,581.39	(1,771.39)
Total Conservation and Development	<u>6,360.00</u>	<u>6,810.00</u>	<u>8,581.39</u>	<u>(1,771.39)</u>
Total Expenditures	<u>1,074,700.00</u>	<u>1,102,949.00</u>	<u>1,471,655.55</u>	<u>(368,706.55)</u>
Excess of Revenues Over (Under) Expenditures	<u>(69,375.00)</u>	<u>(73,875.00)</u>	<u>350,405.71</u>	<u>424,280.71</u>
<b>Other Financing Sources (Uses):</b>				
391.01 Transfers In	-	-	56,504.56	56,504.56
391.04 Compensation for Loss or Damage to Capital Assets	2,000.00	2,000.00	510.00	(1,490.00)
Total Other Financing Sources (Uses)	<u>2,000.00</u>	<u>2,000.00</u>	<u>57,014.56</u>	<u>55,014.56</u>
Net Change in Fund Balances	<u>(67,375.00)</u>	<u>(71,875.00)</u>	<u>407,420.27</u>	<u>479,295.27</u>
Changes in Nonspendable	<u>-</u>	<u>-</u>	<u>12,580.11</u>	<u>12,580.11</u>
Fund Balance - Beginning	<u>1,377,533.24</u>	<u>1,377,533.24</u>	<u>1,377,533.24</u>	<u>-</u>
FUND BALANCE - ENDING	<u>1,310,158.24</u>	<u>1,305,658.24</u>	<u>1,797,533.62</u>	<u>491,875.38</u>

**Schedule of Required Supplementary Information**  
**SCHEDULE OF THE MUNICIPALITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**South Dakota Retirement System**  
Last 10 Fiscal Years \*

	2014	2015
Municipality's proportion of the net pension liability (asset)	0.016835%	0.016316%
Municipality's proportionate share of net pension liability (asset)	\$ (121,289)	\$ (69,201)
Municipality's covered-employee payroll	\$ 269,342	\$ 271,928
Municipality's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-45.03%	-25.45%
Plan fiduciary net position as a percentage of the total pension liability (asset)	107.30%	104.10%

\* The amounts presented for each fiscal year were determined as of the measurement date of the collective net pension liability (asset) which is 6/30 of previous fiscal year.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**Schedule of Required Supplementary Information**  
**SCHEDULE OF THE MUNICIPALITY CONTRIBUTIONS**

**South Dakota Retirement System**

Last 10 Fiscal Years

	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 17,664	\$ 17,873
Contributions in relation to the contractually required contribution	<u>\$ 17,664</u>	<u>\$ 17,873</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Municipality's covered-employee payroll	\$ 269,342	\$ 271,928
Contributions as a percentage of covered-employee payroll	6.56%	6.57%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**Municipality of Philip, SD  
Determination of Major Funds  
DECEMBER 31, 2015**

Fund Title	Assets plus Deferred Outflows of Resources	Liabilities plus Deferred Inflows of Resources	Revenues	Expenditures/ Expenses	Exceeds		Qualifies as a Major Fund?
					10%	5%	
General Fund	1,832,571.04	35,037.42	1,822,061.26	1,471,655.55	N/A	N/A	Always
Total Governmental Funds	1,832,571.04	35,037.42	1,822,061.26	1,471,655.55			
10% of Total Governmental Funds	183,257.10	3,503.74	182,206.13	147,165.56			
Enterprise Funds:							
Water	2,578,545.54	599,930.66	263,140.03	218,939.74	Yes	Yes	Yes
Sewer	1,846,077.81	605,131.15	111,416.66	126,394.24	Yes	Yes	Yes
Garbage	82,589.88	1,063.66	69,073.68	64,402.89	Yes	Yes	Yes
Total Enterprise Funds	4,507,213.23	1,206,125.47	443,630.37	409,736.87			
10% Total Enterprise Funds	450,721.32	120,612.55	44,363.04	40,973.69			
Total Governmental and Enterprise Funds	6,339,784.27	1,241,162.89	2,265,691.63	1,881,392.42			
5% of Total Governmental and Enterprise Funds	316,989.21	62,058.14	113,284.58	94,069.62			

- \* Internal Service Funds are not included in the calculation of Major Funds.
- \* A major fund must meet BOTH the 10% and 5% criteria for the same column.
- \* Enterprise funds must include nonoperating revenues and expenses.
- \* Governmental funds must not include other financing sources and uses.
- \* The analysis of enterprise funds should include gains and losses, capital contributions and special items.
- \* Extraordinary items should NOT be included.
- \* Transfers in and out should not be included.

**MUNICIPALITY OF Philip, SD**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT**  
**For the Year Ended December 31, 2015**

<u>Indebtedness</u>	<u>Long-Term Debt January 1, 2015</u>	<u>Add New Debt</u>	<u>Less Debt Retired</u>	<u>Long-Term Debt December 31, 2015</u>
<b>Governmental Long-Term Debt:</b>				
231.01 General Obligation Bonds	861,533.87	-	(17,228.11)	844,305.76
231.02 Revenue Bonds	258,589.33	-	(43,244.60)	215,344.73
231.03 Special Assessment Bonds	-	-	-	-
236 Advance from Other Funds	-	-	-	-
237 Other Long-Term Liabilities	28,307.17	19,256.27	(22,645.74)	24,917.70
238 Net OPEB Obligation	-	-	-	-
<b>Enterprise Long-Term Debt:</b>				
231.01 General Obligation Bonds	-	-	-	-
231.02 Revenue Bonds	1,176,596.18	-	(22,475.40)	1,154,120.78
231.03 Special Assessment Bonds	-	-	-	-
235 Accrued Landfill Closure and Postclosure Care Costs	-	-	-	-
236 Advance from Other Funds	-	-	-	-
237 Other Long-Term Liabilities	12,862.39	11,007.14	(10,289.91)	13,579.62
238 Net OPEB Obligation	-	-	-	-
<b>Total</b>	<u>2,337,888.94</u>	<u>30,263.41</u>	<u>(115,883.76)</u>	<u>2,252,268.59</u>