

Comprehensive Annual Financial Report

For Fiscal Years Ended December 31, 2014 and 2013



Kansas City Board of Public Utilities

An Enterprise Fund of the:

Unified Government of Wyandotte County / Kansas City, Kansas

Prepared by: Office of Accounting & Office of Corporate Communications

About the Cover

From Top Center Clockwise

1. Eagle Day, Sponsored by KCBPU & Unified Government Parks Department
Schlagle Library & Wyandotte County Lake;
2. Street Light Repair, Electric Operations Department;
3. Nearman Water Treatment Plant Maintenance Personnel;
4. Traffic Light Technicians, Electric Operations Department;
5. Linemen, Electric Operations Department;
6. Environmental Services;
7. Electrical Instrumentation Maintenance Personnel, Nearman Water Treatment Plant;
8. Electric Production Personnel, Nearman Power Station

Cover design by Jim Burton, Administrative Services
Laurie Cassidy, Director

**Kansas City Board of Public Utilities
Kansas City, Kansas**

**Comprehensive Annual Financial Report
For the Fiscal Years Ended
December 31, 2014 and 2013**

2014 Board of Directors

President – Mary L. Gonzales	David Alvey
Vice President – Robert L. Milan, Sr.	Jeff Bryant
Secretary – Tom Groneman	Terry Eidson

**General Manager
Don L. Gray**



**An Enterprise Fund of the:
Unified Government of Wyandotte County, Kansas City, Kansas**

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**Kansas City Board of Public Utilities
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For the Fiscal Years Ended December 31, 2014 and 2013**

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INTRODUCTORY SECTION





May 21, 2015

Members of the Board of Directors
Kansas City Board of Public Utilities

The Charter Ordinance of the Unified Government of Wyandotte County/Kansas City, Kansas requires that the Kansas City Board of Public Utilities (BPU) publish within six months of the close of each fiscal year a Comprehensive Annual Financial Report (CAFR). This report is presented in conformity with generally accepted accounting principles (GAAP) and audited by a certified public accounting firm. This report is published to fulfill that requirement for the fiscal year ended December 31, 2014.

The CAFR consists of management's representation concerning the finances of the BPU. As a result, responsibility for this report for the fiscal year ended with respect to both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the BPU. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the BPU. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. To enhance the reader's understanding of these financial statements, note disclosures have been included as an integral part of this document.

The BPU's financial statements have been audited by KPMG, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the BPU are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. KPMG concluded, based upon the audit, the financial statements present fairly, in all material respects, the financial position of the BPU as of December 31, 2014 and 2013, and the results of BPU's operations and cash flows for the years then ended in conformity with U. S. generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The BPU's MD&A can be found immediately following the report of the independent auditors.

Profile

The Utility System is comprised of the electric and water utilities and is, by statute and charter ordinance, under the operational control and administration of the Board of Directors for the

BPU. The Unified Government of Wyandotte County/KCK, as authorized by state statutes, reserves the right to incur debt on behalf of the BPU. However, the statutes vest the BPU with exclusive day-to-day control of the utility system. The Utility presently serves approximately 63,000 electric customers and 50,000 water customers.

The Electric Utility has two active electric power generating stations, a 17 percent ownership interest in a combined cycle power generating station, and six purchase power agreements to provide the capacity and energy needed by its retail customers. The active generating stations are the Nearman Creek Power Station ("Nearman Station") and the Quindaro Power Station ("Quindaro Station"), and the 17 percent ownership interest is in the Dogwood Generating Facility (Dogwood) described below. Purchased power agreements, which are also described below, have been executed and include renewable low impact hydro power from the hydro project in Kansas.

The Nearman Station has two units; the first is a coal-fired steam electric generating station. Commercial operation of the Nearman coal-fired unit began in 1981. The second unit is a simple cycle combustion turbine which can be fired on either natural-gas or No. 2 fuel oil. The combustion turbine plant, known as the Nearman CT4, functions as a peaking plant and was placed in service during February of 2006.

The Quindaro Station has five units; the coal-fired steam generating facility consists of two units, each having a single coal-fired steam generating boiler and a turbine generation unit. Commercial operation of such units began in 1966 and 1971. In addition, the Quindaro Station also has three combustion turbines, which function as peaking units. The units were placed in commercial operation in 1969, 1974 and 1977 respectively and are designed to burn No. 2 fuel oil. One of the units is also designed to burn natural gas.

In December, 2012, the Utility acquired an undivided 17% ownership interest in the assets of Dogwood, a natural gas-fired combine cycle generating plant. The Utility's share is approximately 110 MW. Generation and operating expenses from Dogwood are allocated to the utility based on the 17% interest. The Utility is also required to provide its share of financing any capital additions.

The Utility generating stations are interconnected by a network of 161 kV and 69 kV transmission lines. The Utility's transmission and distribution network includes 61.20 miles of 161 kV line, 60.03 miles of 69 kV line, and 2,677.91 miles of overhead line and 313.70 miles of underground cable. The system has 28 electric distribution substations and four industrial substations. The Utility is interconnected with two other area utilities, Kansas City Power & Light and Westar Energy.

The Utility System is a member of the Southwest Power Pool (SPP), which is a Regional Transmission Operator (RTO), located in Little Rock, Arkansas. SPP's primary purpose is to facilitate the movement of power throughout the RTO's footprint. As of March 1, 2014 SPP began operating within an Integrated Marketplace. The integrated marketplace is intended to provide for the reliable movement of power during all times but especially during emergency events while providing cost savings to those load serving utilities through a more efficient process of resource dispatch. Many of the efficiencies are driven by SPP becoming the balancing authority for the region, whereas under the Energy Imbalance marketplace each load serving entity acted as its own balancing authority. SPP's current footprint covers much of the south central portion of the United States.

The Utility has contracts with the Southwestern Power Administration (SPA) entitling the Utility to annually purchase 38.6 MW of hydroelectric peaking capacity, and 5 MW of hydroelectric power from the Western Area Power Administration (WAPA). The Utility also has entered into four Renewable Energy Purchase Agreements. BPU's agreement with TradeWind Energy is to receive 25% of the energy output of Phase 1 of the Smoky Hills Wind Farm. Phase I of the project has a name plate of approximately 100 MW of wind capacity. The wind farm was built approximately 25 miles west of Salina, Kansas in Lincoln and Ellsworth Counties in Kansas. In 2009, BPU entered into an agreement with Oak Grove Power Producers to provide 1.5 MW of gas from a landfill in Arcadia, Kansas. In December 2013 the Utility began receiving an additional 1.4 MW of generation off the landfill with another 0.6 MW coming on line in September 2014 for a total of 3.55 MW of capacity at the Arcadia landfill gas project. In November 2010, the BPU entered into a contract with the Bowersock Mills & Power Company ("Bowersock") to purchase the capacity and energy of an existing 2.15 MW run of the river hydroelectric facility on the Kansas River in Lawrence, Kansas and 4.70 MW of capacity from an expansion of Bowersock's existing hydroelectric facilities. In December 2013, the BPU agreed to purchase 25 MW of energy generated by wind turbines from OwnEnergy, Inc. The wind farm will be located south of Alexander, Kansas in Rush County in Kansas. It is anticipated that energy will be available to BPU beginning in October 2015. Lastly, BPU has an agreement with Tenaska Power Services Company to both purchase and market excess wholesale energy for BPU.

The Water Utility serves approximately 50,000 water customers in the service area of approximately 152 square miles. This service area includes Kansas City, Kansas, Edwardsville, southern Leavenworth County, parts of Bonner Springs and a small section of northern Johnson County. BPU's current average day and maximum day are approximately 31 million gallons per day (MGD) and 52 MGD, respectively. The water utility utilizes the state-of-the-art Nearman Water Treatment Plant to draw water from an aquifer below the Missouri River via two horizontal collector wells. These wells are each capable of supplying over 40 million gallons of raw water per day. The Nearman Water Treatment Plant is a conventional water treatment facility with a firm capacity of 54 MGD. Through the process of riverbed filtration, the Nearman Water Treatment Plant horizontal collector wells supply water from the aquifer, which is hydraulically connected to the Missouri River. A 24 MGD sand-ballasted sedimentation basin was completed in 2007. A new Polymer feed system was completed in 2010 and helped to optimize the process. Additional projects that were recently completed include a 2 MG elevated tank; 6 MG reservoir pump station and 48 inch transmission main; control system improvements to the Argentine and Parallel pump station as well as the Nearman WTP; cleaning of the lateral screens in Horizontal Collector Well No. 1 and the construction of a 4 MG reservoir at the NWTP which was completed in 2014.

The Water distribution system consists of a network of underground mains, reservoirs, and a series of booster district systems. The water transmission network consists of 72.5 miles of primary and trunk lines ranging in size from 24 to 48 inches. From these mains, water is delivered through a system of 900 miles of secondary water mains. The Utility has approximately 32.5 million gallons of water stored in reservoirs and elevated tanks at various locations in the distribution system. There are five booster-pumping stations, which increase water pressure to higher elevations.

The Utility's annual budget represents the plan for providing electric and water services for each fiscal year. An annual budget consisting of operating and maintenance expenses as well as a five-year capital plan is submitted by the General Manager and Manager's to the Board of Directors. The Board of Directors adopts the budget no later than December of each year. Budgetary control

is maintained at the departmental level by comparing budgeted expenses with actual expenses on a periodic and year-to-date basis.

Economic Conditions

The Unified Government is the government for both Wyandotte County and the City of Kansas City, KS. Wyandotte County accounts for a large number of manufacturing, transportation and distribution, including rail, and health care jobs in the metropolitan area. Many of these jobs are high paying and contribute to the positive statistics regarding gross payroll and gross sales. Development remains an important priority for the Unified Government.

The County of Wyandotte County covers 155.7 square miles. It is located on the eastern border of the State and along with three other Kansas counties and eight Missouri counties, comprise the Kansas City Metropolitan Statistical Area with a population of approximately 2.0 million.

According to the 2014 U. S. Census Bureau, Wyandotte County's population was 161,636. Compared to population trends in the prior decades, the current estimates indicate a more stable population. The median age is 33 versus a national average of 34 years. Approximately, 35 percent of the population is greater than 45 years old.

In recent years, efforts have been directed toward the development of a 1,600-acre tract of land located directly northwest of the intersection of Interstate Highways I-70 and I-435. The Unified Government successfully lobbied for special state legislation establishing the boundaries of the Tourism District, now named Village West. State authorized Sales Tax Revenue Bonds (STAR Bonds) were used to fund eligible costs within the district for land acquisition, site improvements, streets, utilities, and landscaping. The Unified Government attracted the Kansas Speedway as the economic catalyst for development of this tract using the STAR Bond financing incentive. The speedway project, totaling more than \$280 million, is a 1.5-mile tri-oval on approximately 1,100 acres of land, with 72 luxury hospitality suites and grandstand seating for 82,000. Joining Kansas Speedway at Village West are major destination retailers and entertainment businesses that attract approximately 10 million visitors and shoppers annually. The initial anchor businesses and attractions include: Cabela's, Nebraska Furniture Mart, Great Wolf Lodge and Resort Hollywood Casino, Sporting Park, home of the Kansas City MLS soccer team Sporting KC Soccer Club and Community America Ballpark, home of the Northern League's Kansas City T-Bones, an independent, minor league baseball team.

On March 30, 2011, Kansas City, Kansas was selected from 1,100 other applicants to be the pilot community that will bring ultra-high-speed broadband Internet access to the region. BPU staff played a critical role securing this partnership between Google and the Unified Government (UG), helping create a new data superhighway that will help our community grow. Google Fiber will deliver 1 gigabit internet speeds – that's roughly 20,000 times faster than dial-up and more than 100 times faster than a typical broadband connection. Google has installed fiber optic cable for its services throughout the community and continues to expand its availability.

Adjacent to Kansas University Medical Center is a \$39 million mixed-use economic development project. The first phase of this development included approximately 10,000 square feet of first-floor retail space and on the second through fourth floors, an 83-room Holiday Inn Express & Suites which opened in September, 2012. The second phase was completed in May 2014 and has a healthcare tenant focus. Kansas University Hospital operates an inpatient acute rehabilitation center along with Kansas City Transitional Care Center, a post-acute nursing rehabilitation facility and Hanger Prosthetics & Orthotics. In total the second phase of this redevelopment

project is 100,000 square feet within a four-story building. The area expects to attract new retail development due to the area's dense resident population and the proximity to the KU Medical Center and Hospital. The area draws more than 10,000 persons daily.

Long Term Financial Planning

BPU's goals for the future include meeting the needs of the community as development continues within the county. BPU utilizes a five-year capital improvement program to prioritize projects, which will be scheduled over a number of years as financial resources are available. The electric capital improvement plan identifies approximately \$443.2 million in generation, transmission, and distribution projects; of which \$200 million for continued construction of environmental upgrades to a coal fired plant. Approximately 100% of the environmental upgrade and 60% of the remaining capital plan is expected to be bond financed. The Environmental Surcharge Rider will be applied to collect the principal and interest payments for the environmental upgrades. The water capital improvement plan identifies approximately \$67.3 million in projects, of which 60% are projected to be financed.

Cash Management and Investment Policy

The Utility's cash management practice encourages investment of all cash not needed for immediate expenditures. It is the policy of the Utility to invest public funds in a manner that provides the highest investment return with the maximum security while complying with all Kansas statutes governing the investment of public funds. The Utility's investment policy was adopted by the Board of Directors.

Internal Control

Management of the Board of Public Utilities (BPU) is responsible for establishing and maintaining internal controls to ensure that assets of the BPU are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgements by Management.

Major Initiatives

The Board of Public Utilities is currently investing in significant capital improvements to update and improve service to our customers. Projects underway include a filter expansion at the Nearman Water Treatment Plant, as well as electric substation and transmission improvements in the Muncie and Fairfax areas.

The 161 kV transmission line from the Wolcott substation to the Piper West substation has been completed and will support new development. These new assets will help ensure reliable service to the Kansas Speedway/Village West Area and existing residential housing surrounding the western portion of the county. Several major developments have opened near the area which include; a \$147 million, 18,000 seat capacity soccer stadium for the Kansas City MLS franchise, Sporting Kansas City Soccer Club and the Hollywood Casino overlooking Turn 2 at the Kansas Speedway located near the soccer stadium. In addition, the opening of two office towers

consisting of nine stories each which house Cerner Corporation, a medical software company with an estimated 4,000 employees.

The electric utility is also continued work to upgrade the Fiberglass Substation to increase distribution capacity and improve service to the Fairfax industrial customers. In 2011, General Motors (GM) announced plans to build a \$120 million, 400,000 square foot paint shop and related site improvements to be operational in 2015. GM remains the production facility for the Chevrolet Malibu and the Buick LaCrosse.

The new 4 million gallon water reservoir was completed in 2014 and will provide additional levels of storage redundancy to meet industry design standards for water treatment plants, community water supply needs, and improve operating efficiency. It will provide additional water storage for summer maximum day and peak hour demands. It also provides a source of supply for BPU's Nearman Power Plant cooling tower and for a black start in the event of a major black out event.

GFOA Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Kansas City Board of Public Utilities for its comprehensive annual financial report for the year ended December 31, 2013. This was the thirty-third consecutive year that the BPU received this prestigious award.

In order to be awarded a Certificate of Achievement, BPU must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe this 2014 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate for the thirty-fourth consecutive year.

Acknowledgements

In closing, I would like to thank the Accounting staff for their efforts in preparing and providing the financial information. Special thanks to David Mehlhaff, Chief Communications Officer, in coordinating the comments for the President's and General Manager's messages.

Respectfully submitted,



Lori C. Austin
Manager of Accounting & Finance/
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Kansas City Board of Public Utilities
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

PRESIDENT'S MESSAGE

The municipal publicly-owned Kansas City Board of Public Utilities (BPU) has been providing service to Wyandotte County for more than 100 years. This not-for-profit utility's primary mission remains providing quality dependable utility services at the lowest possible price, and being a socially responsible community partner.

BPU achieved a number of important initiatives and milestones in 2014, remaining focused on communications outreach to key stakeholder groups, customer service and customer satisfaction, and maintaining a focus on its financials to ensure it remains one of the top ranked municipal utilities in the nation. The utility received several notable recognitions, including the *Certificate of Achievement in Financial Reporting* by the Government Finance Officers Association (GFOA), and recognitions for *Best Customer Service* and being a *Smart Utility* at a national industry conference.

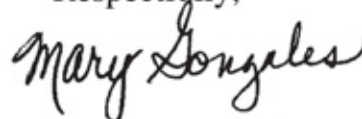
Key BPU accomplishments in 2014 included:

- Maintaining sound financial practices that produce positive net income, improve cash flow, enhance day's cash on hand and stabilize debt coverage.
- Partnering with the three local School Districts to promote environmental responsibility and science by launching an educational initiative, the *emPOWER Education Program*, to encourage environmental responsibility and teach utility safety standards while promoting the importance of science, technology, engineering, and mathematics (STEM) to area youth. BPU created and designed a series of lesson guides that elementary, middle school, and high school teachers can incorporate into their lesson plans under the science strand, with a focus on energy, water, conservation, and environmental related issues. The lesson guides include planning kits with tools and activities for each particular subject, and are designed for each age appropriate learning level. This initiative, which has already gained national recognition, aligns with the Next Generation Science Standards and meets the State of Kansas Common Core School District Standards.
- Supporting economic development initiatives and viable residential, commercial, and industrial initiatives in BPU's service territory.
- Creating a new *Hardship Assistance Program* to help customers avoid disruption and restore utility services when they are experiencing financial hardships.
- Expanding communication initiatives by focusing on BPU customers, legislators, employees, BPU Board Members and the greater community of Wyandotte County, highlighting public utility benefits, stewardship, and customer service while promoting safe, reliable and sustainable utilities.
- Putting in place new customer service programs and initiatives to make the utility more accessible and convenient, including:

- Implementing late-night customer service lobby hours until 7:00 pm on Tuesdays and Thursdays to accommodate those who work.
 - Adding a new Children's Corner in the lobby with games, books, and videos for a family friendly environment.
 - Allowing use of credit cards and debit cards as payment for utility bills in the BPU customer service lobby.
- Building on partnerships with businesses, civic groups, neighborhood organizations, and the Unified Government.

BPU remains committed to providing reliable and affordable utility services to the residents and businesses in Wyandotte County, while improving the overall quality of life in our community. As such, this utility will continue working to improve overall efficiencies and reduce costs, expand communications and outreach efforts with the community, while maintaining best-in-class customer service and customer satisfaction.

Respectfully,

A handwritten signature in black ink that reads "Mary Gonzales". The signature is written in a cursive, flowing style.

Mary Gonzales
Board President
May 21, 2015

Board of Directors – 2014

The Board of Directors is composed of six members, three of whom are elected at large and three of whom are elected by district. Every two years three members are elected for four-year terms. The Board chooses a president, vice president, and secretary from its own membership. The Board meets twice a month, on the first and third Wednesdays. Members receive a monthly salary of \$950. The treasurer of the Unified Government of Wyandotte County/Kansas City, Kansas is the ex-officio treasurer of the Board. The Board is charged with the duty to hire a General Manager, who serves as BPU's chief executive officer, and who administers the day-to-day operations of the utility.



Mary L. Gonzales
President
Member at Large
Elected 2001-2005
Re-elected 2005-2009
Re-elected 2009-2013
Re-elected 2013-2017

Ms. Gonzales retired from teaching school in 2006 after a 33-year career. For many of those years she was an eighth-grade language arts teacher at Piper Middle School.

Ms. Gonzales is the current Board of Public Utilities (BPU) president. She also served as President from 2005 to 2007. She also served previously as vice president and secretary of the BPU Board.

Besides her BPU Board and other community activities, she is a member of the American Public Power Association and the American Water Works Association. A graduate of Leadership 2000, she was also District 5 Coordinator in the successful effort to consolidate the Wyandotte County/city governments, and served on the advisory board of the Wyandotte County Library. In addition, she is past President of Delta Kappa Gamma International Educational Society and is a former board member for both El Centro and City Vision Ministries.

Ms. Gonzales has a Bachelor of Arts degree in Education from the University of Montevallo in Montevallo, Alabama, and a Master's degree in Curriculum and Instruction from Emporia State University.



Robert L. Milan, Sr.
Vice President
Member, First District
Elected 1991-1995
Re-elected 1995-1999
Re-elected 1999-2003
Re-elected 2003-2007
Re-elected 2007-2011
Re-elected 2011-2015

Mr. Milan has served on the BPU Board for 23 years, having been first elected in 1991. He is the current Board of Public Utilities (BPU) Vice President. He has served as President of the Board three times. In 2007, BPU recognized Mr. Milan's dedication to the utility by naming a new Water Division facility in his honor, the Robert L. Milan, Sr. Pump Station and Reservoir.

Mr. Milan worked at the U.S. Department of Labor for 32 years, retiring as a Federal Representative. He is active in the Northeast Optimist Club and NAACP. In 2001 he served as State President of AARP. In 2010, the Directors of the Heritage Registry of Who's Who announced the inclusion of Mr. Milan. He has received many awards including being selected by the Kansas City Globe as one of the 100 most influential people in 1998.

A native of Kansas City, Kansas, he owned Milan's Roller Arena and Bowling establishment for many years. Mr. Milan is a Sumner High School graduate and attended Kansas City Kansas Community College, the University of Kansas extension, Donnelly College, the University of Colorado, Temple University and Pioneer College.



Tom Groneman
Secretary
Member, Second District
Elected 2013-2017

Mr. Groneman is a lifelong Wyandotte County resident, graduating from Wyandotte High School in 1965. He currently serves as Secretary for the Board of Public Utilities. In 1969 he graduated from Bethany College, Lindsborg, KS with a Bachelor's degree in Business/Economics.

Board of Directors – 2014 – (continued)

Following college he entered the United States Navy and was trained as a Vietnamese linguist. He was stationed for 15 months at the Naval Communications Station, Philippines where he was assigned to temporary active duty with the Commander of Carrier Division 5/Task Force 77 aboard the USS Enterprise, USS Kitty Hawk and USS Constellation. He finished his tour at the National Security Agency, Ft. Meade, MD.

After the military he returned to Wyandotte County and worked briefly as a probation officer for the 29th Judicial District. In 1975 he was appointed Register of Deeds to fill out the unexpired term of Jack Reardon who had been elected mayor. He was subsequently elected to seven consecutive four year terms as Register of Deeds. In 2003, Mr. Groneman joined the staff of newly elected Governor Kathleen Sebelius to become the Director of Alcoholic Beverage Control for the State of Kansas. He commuted for nearly eight years between Kansas City and Topeka until the change in administrations in 2011.

During his time in public service Tom has served in numerous positions on various state and national organizations. He is currently working part-time in the Register of Deeds Office.



David Alvey
President
Member at Large
Elected 2009-2013
Re-elected 2013-2017

David is the fifth generation of his family to live in Wyandotte County. He is the Assistant Principal for Faculty Formation and Professional Development at Rockhurst High School. Mr. Alvey has previously served as the Board of Public Utilities (BPU) president, vice president and secretary.

He is a member of the American Public Power Association (APPA) and currently serves on the APPA Policy Makers Council.

Mr. Alvey also served on the Planning and Zoning Commission of the Unified Government. He served as the dean of students and also taught U.S. history at Rockhurst High School and served as Program Director of the Student Support Program in Marin County, California. Mr. Alvey is the former National

Chair of Dean's of Students of the Jesuit Secondary Education Association.

He graduated from Savior of the World High School and attended Rockhurst College before graduating Summa Cum Laude in Philosophy and Letters from St. Louis University.



Jeff Bryant
Secretary
Member, Third
District
Elected 2011-2015

Mr. Bryant is the Estimator and Job Cost Analyst for Plastic Packaging Technologies in Kansas City, Kansas. He has been with the company for over 30 years serving in a variety of roles.

He is a member of the Armourdale Renewal Association and the Kansas City Chapter of the NAACP. He serves on the Unified Government's (UG) Public Works & Safety Committee, the Board of Directors of Leadership 2000 and the FL Schlagle Site Council. Mr. Bryant is a graduate of Turner High School and attended Donnelly College. He is a Leadership 2000 graduate.



Terry Eidson
Member, at Large
Elected 2007-2011
Re-Elected 2011-2015

Mr. Eidson is a life-long resident of Wyandotte County and local business leader. He and his wife Aileen owned and operated Eidson's Florist and Travel for over 35 years.

Mr. Eidson attended Washington High School, Kansas City Kansas Community College and the University of Kansas. He served four years in the Kansas Air National Guard, and worked as an elementary school teacher before taking over the family business in 1970. In 2009, he was appointed as a member of the American Public Power Association's (APPA) Policy Maker's council. He has served in leadership roles in various business organizations, and has been on the board of directors of the Wyandotte County Fair, the KCK Chamber of Commerce, the KCK YMCA and Children and Family Services.

GENERAL MANAGER'S MESSAGE

For more than a century, the Kansas City Board of Public Utilities (BPU) has provided water and electric utility services to Wyandotte County and its residents. Today, it services nearly 65,000 commercial, industrial, and residential customers over a 130 sq. mile area, as one of the largest public utilities in the state.

BPU continues to be recognized as one of the top public utilities in the nation. In 2014, it received the "Directors Award" from the Partnership for Safe Water, a national initiative developed by the Environmental Protection Agency (EPA) and other water organizations. BPU has also previously received the industry's "Gold" Award for its water system from the American Water Works Association; and was voted as having the Best Tasting Water in the State of Kansas in recent years.

BPU was recognized for *Excellence in Financial Reporting*, being presented the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA). The utility's Customer Service and Information Technology teams were also recipients of Best Customer Services and Smart Utility recognitions at an industry conference in 2014, and BPU has repeatedly been recognized as one of the safest and most reliable electric utilities in the country – receiving the industry's Reliable Public Power Provider (RP3) award.

Moreover, in a Benchmark Survey from MGT of America, Inc. BPU's water and energy systems were recognized for being comparable, and even better, than a number of other private and public utilities.

BPU implemented a number of important initiatives to improve internal efficiencies and reduce costs, manage existing customer demands on the electric and water systems, and ensure the long-term viability of this non-profit publicly-owned utility in 2014. These included, among others:

- Ensuring the successful implementation of \$250 million in new Air Quality Control equipment for the 235 MW Nearman Power Plant in order to comply with air emission standards.
- Completing a benchmark survey comparison with other public utilities analyzing; 1) actual cost of electric and water services; 2) trending costs for electric and water services, and 3) contributions to the community. Findings showed BPU costs are in line with other utilities. While some costs have increased, BPU is doing so at a reduced rate and customers saw substantial savings as the result of the new metering program. Other findings included; 1) electric supply costs are lower or comparable to other regional and national MOU's; 2) power production costs are down vs. 2012 from 4.8 cents to 4.6 cents; 3) customer service costs are lower than the national average for IOU's and MOU's at 10.3% lower and; 4) costs are down 18.3% over the last four year average, and 5) revenue per kWh sold rate is significantly lower than the median, and competitive with even the best of the MOU's.
- Providing reliable, low cost energy by maintaining and operating the generating plants efficiently to meet community energy demands.

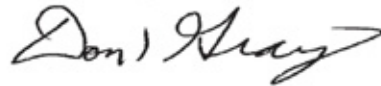
- Continuing roll-out of Advanced Metering Infrastructure, and moving toward new programs like paperless billing, the Energy Engage Portal, and other technology initiatives to improve customer service and operational efficiencies.
- Ensuring that BPU met and exceeded all EPA and KDHE Safe Drinking Water Regulations.
- Implementing demand side management and demand response programs, and energy efficiency and conservation programs to educate customers on cost saving technologies and reduce energy consumption to minimize environmental impacts.
- Putting in place a comprehensive Home Energy Audit Program offering customers access to low-cost home energy audits, helping residents improve the efficiency of their home while reducing overall energy costs. BPU arranged for certified auditors to conduct an energy audit on a customer's home for only a \$50.00 fee, with other energy audits costing up to \$500.00, BPU made this service available to residential customers, helping nearly 300 customers utilize this program.
- New "Listen, Learn, and Save" efficiency workshop offered for free to area groups as part of BPU's on-going effort to promote energy efficiency and help customers reduce their energy costs.
- Opening a new Utility Efficiency Learning Center in BPU's main building to help customers learn how to lower their energy and water consumption through a variety of efficiency techniques.
- Purchasing 25 megawatts of additional wind energy, helping supplement BPU's base-load generation. With the addition of this agreement, BPU will have wind energy equal to 10% of its peak demand and 22% of its peak in renewables with total renewables at 110 MW. This exceeds the state's renewable energy standard which currently requires electric utilities to have at least 10% of their peak demand from renewable resources through 2015, 15% in 2016 and 20% beginning in 2020.
- Continuing to perform within the electric and water Cost of Service guidelines.

As Wyandotte County has grown and developed, BPU remains focused on the sustainability of the utility, including maintenance and replacement of an aging

infrastructure, ensuring future power generation and water production needs, environmental regulatory mandates, improving overall efficiencies to reduce costs, and continuing open and transparent communications.

BPU's primary mission remains much the same as it's been for the last 100 years: offering quality dependable utility services at the lowest possible price. We continually strive to remain one of the top-ranked public utilities in the country and remain committed to improving the quality of life in our community.

Sincerely,

A handwritten signature in black ink, appearing to read "Don L. Gray". The signature is fluid and cursive, with a long horizontal stroke at the end.

Don L. Gray
General Manager

May 21, 2015

Senior Management – 2014

Don L. Gray General Manager

Don Gray has worked at BPU for over 42 years. Before being appointed General Manager of the utility in 2006, he was Manager of Water Operations.

In the late 1990s he led the research, design and construction of the Nearman Water Treatment Plant with its state-of-the-art horizontal collector well, the largest alluvial well of its kind in the U.S. The plant opened in 2000. He has also served on various task forces and committees at the utility, including the Leadership Team for the BPU Strategic Plan.

In 2005, Mr. Gray was awarded the prestigious George Warren Fuller Award from the American Water Works Association (AWWA). The award recognizes Mr. Gray's long career and management of the BPU Water Utility and his leadership role in AWWA. Recently Mr. Gray was the recipient of The Richard Porter Service Award from the Kansas Section of the American Water Works Association.

This prestigious industry award recognized him for his leadership and commitment to the public water profession and the community it serves.

He also serves on the board of the Kansas City Kansas Chamber of Commerce and is Co-Chair of the Chamber's Economic Infrastructure Committee. He is also a member of the American Public Power Association and Kansas Municipal Utilities.

Twenty-two years ago Mr. Gray turned his favorite recreational activity into a way to aid local children when he helped establish the BPU Charity Golf Tournament. Since then the tournament has raised over \$500,000 for various children's charities in Wyandotte County.

Mr. Gray has bachelor's degrees in chemistry and microbiology. In 2003 he earned his M.B.A. from the University of St. Mary. Gray lives in Kansas City, Kansas.

**Robert D. Adam, Manager
Electric Supply**

**Lori C. Austin, Manager
Accounting and Finance/CFO**

**James A. Epp, Manager
Water Operations**

**Johnetta M. Hinson, Manager
Customer Services**

**William A. Johnson, Manager
Electric Operations**

**Dong T. Quach, Acting Manager
Electric Production**

**Cherryl R. Johnson, Manager
Purchasing and Supply**

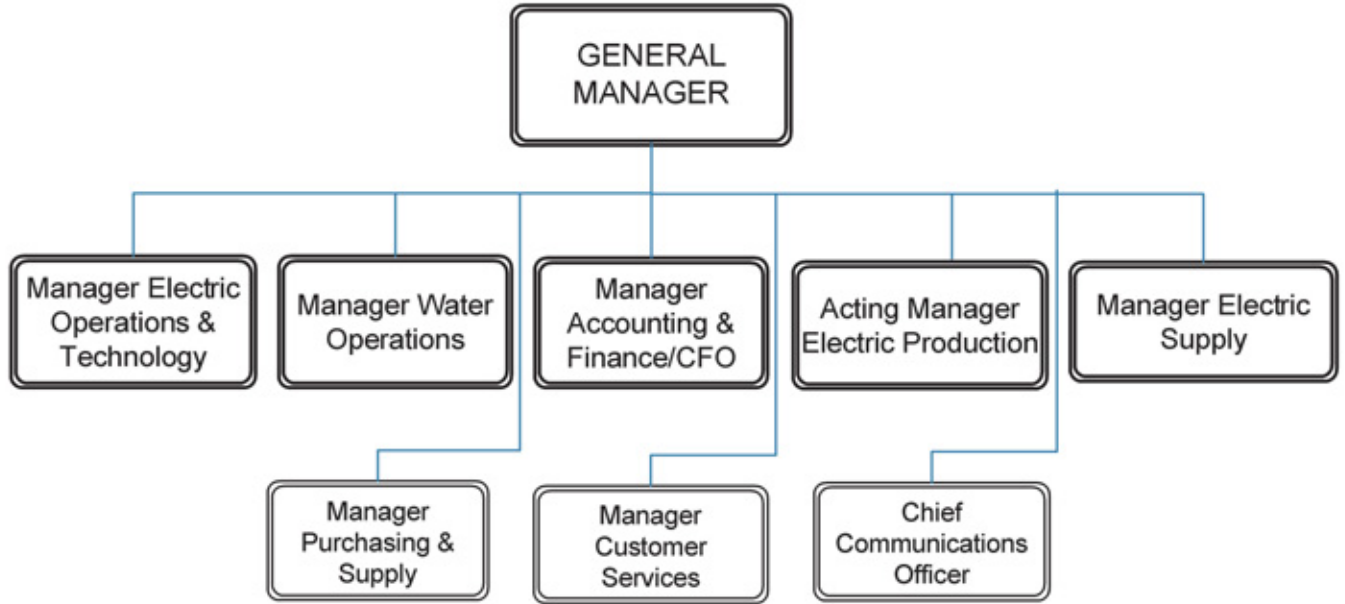
Executive Staff and Department Heads 2014

Laurie D. Cassidy, Director Administrative Services	Jason Moe, Director Electric Production Operations
William R. Cobb, Acting Director Electric Production Maintenance	Patrick J. Morrill, Director Electrical Engineering
Samuel W. Deleon, Director Human Resources	Philip B. Musser, Director Electric Transmission & Distribution
John D. Frick, Director Electric Production Engineering	Gerald P. Ohmes, Sr., Director Electric Systems Control
Stephen E. Green, Director Water Distribution	Randal J. Otting, Director Accounting
Durward M. Johnson, Director Water Processing	Paul M. Pausick, Director Information Technology
Brian D. Laverack, Director Network Operations	Ingrid Setzler, Director Environmental Services
David E. Mehlhaff Chief Communications Officer	Chris D. Stewart, Director Civil Engineering



Kansas City Board of Public Utilities

2014 Organizational Chart



Accounting Civil Engineering Cash Operations and Collections Corporate Compliance Customer Service Electric Metering & Services Electric Production Engineering Electric Production Maintenance Electric Production Operations Electric Supply Planning Electric System Control	Electric Transmission & Dist Electrical Engineering Employee Relations Employment Environmental Services Grounds Maintenance Information Technology Network Support OH / UG Lines Production Support Services Purchasing	Radio / Telecom & Cable Stores Street Lights Substations Traffic Signal Transportation Utility Services Water Metering & Services Water Distribution Water Processing Water System Support
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FINANCIAL SECTION





KPMG LLP
Suite 1000
1000 Walnut Street
Kansas City, MO 64106-2162

Independent Auditors' Report

The Board of Directors
Board of Public Utilities:

Report on the Financial Statements

We have audited the accompanying financial statements of the Board of Public Utilities of Kansas City, Kansas (the BPU), which comprise the statements of net position as of December 31, 2014 and 2013, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the BPU's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide* (the Guide); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Public Utilities of Kansas City, Kansas, as of December 31, 2014 and 2013, and the change in its financial position and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

Emphasis of Matters

As discussed in note 1 to the financial statements, the financial statements present only the BPU enterprise fund of the Unified Government of Wyandotte County and Kansas City, Kansas, and do not purport to, and do not, present fairly the financial position of the Unified Government of Wyandotte County and Kansas City, Kansas, as of December 31, 2014 and 2013, and the changes in its financial position for the years then ended in conformity with U.S. generally accepted accounting principles. Our opinion is not modified to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management discussion and analysis on pages 21 to 26 and the funding progress schedules on pages 59 and 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the BPU's basic financial statements. The combining information on pages 61 to 63 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining information on pages 61 to 63 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2015 on our consideration of the BPU's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the BPU's internal control over financial reporting and compliance.

KPMG LLP

Kansas City, Missouri
May 21, 2015



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BOARD OF PUBLIC UTILITIES

Management's Discussion and Analysis

December 31, 2014 and 2013

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Board of Public Utilities of Kansas City, Kansas's (BPU) financial statements. The BPU's financial statements comprise two components: 1) financial statements and 2) notes to the financial statements. Other required supplementary information is provided in addition to the financial statements.

Financial Statements

The financial statements are designed to provide readers with a broad overview of the BPU's finances in a manner similar to a private-sector business.

The statement of net position presents information on BPU's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these reported as net position. Over time, increases/decreases in net position may serve as a useful indicator of whether the financial position of the BPU is improving/deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how BPU's net position changed during the most recent fiscal year. All changes in net position are reported as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the BPU's progress in funding its obligation to provide pension and postretirement benefits to its employees.

The combining statements for the BPU's electric and water utilities are presented immediately following the required supplemental information.

The BPU is an administrative agency of the Unified Government of Wyandotte County/Kansas City, Kansas (Unified Government).

The electric and water departments are reflected as an enterprise fund on the Unified Government's financial statements consisting of the statement of net position; statement of revenues, expenses, and changes in net position; and statement of cash flows. This management's discussion and analysis of the BPU's financial report presents the discussion and analysis of the BPU's financial performance for the years ended December 31, 2014, 2013, and 2012. This analysis should be read in conjunction with the financial statements and notes thereto.

BOARD OF PUBLIC UTILITIES
Management's Discussion and Analysis
December 31, 2014 and 2013

The following tables summarize the financial condition and operations of the BPU as of December 31, 2014, 2013, and 2012 and for each of the years then ended:

Statement of Net Position Summary			
	2014	2013	2012
Assets and deferred outflows of resources:			
Capital assets, net	\$ 866,886,249	840,462,906	823,905,500
Current assets	144,486,313	123,113,623	116,073,229
Other noncurrent assets	114,088,340	30,742,858	54,722,611
Deferred outflows of resources	13,379,769	7,012,191	7,387,844
	\$ 1,138,840,671	1,001,331,578	1,002,089,184
Liabilities, deferred inflows of resources, and net position:			
Noncurrent liabilities	\$ 633,453,161	522,977,576	529,896,858
Current liabilities	75,486,200	62,072,776	64,946,574
Deferred inflows of resources	5,129,895	—	1,296,801
Net position:			
Net investment in capital assets	347,346,161	344,200,332	342,387,219
Restricted	26,101,848	46,162,140	66,873,587
Unrestricted	51,323,406	25,918,754	(3,311,855)
	\$ 1,138,840,671	1,001,331,578	1,002,089,184

Statements of Revenues, Expenses, and Changes in Net Position Summary			
	2014	2013	2012
Operating revenues:			
Residential	\$ 89,816,917	86,654,645	86,729,958
Commercial	104,306,455	99,649,009	101,859,200
Industrial	47,842,971	44,178,102	45,902,344
Other	43,412,193	28,305,763	28,121,275
Energy rate component	(5,129,895)	1,296,801	(1,296,801)
Payment-in-lieu of taxes	31,291,744	27,333,943	28,052,962
Total operating revenues	311,540,385	287,418,263	289,368,938
Operating expenses:			
Fuel	\$ 68,256,346	53,191,065	51,083,016
Purchased power	25,244,462	21,115,446	29,502,526
Production	46,150,561	48,472,370	53,066,345
Transmission and distribution	41,865,301	42,336,766	41,157,296

BOARD OF PUBLIC UTILITIES
Management's Discussion and Analysis
December 31, 2014 and 2013

Statements of Revenues, Expenses, and Changes in Net Position Summary

	<u>2014</u>	<u>2013</u>	<u>2012</u>
General and administrative	\$ 34,179,058	31,747,806	29,832,976
Depreciation and amortization	32,939,640	33,613,655	32,818,565
Total operating expenses	<u>248,635,368</u>	<u>230,477,108</u>	<u>237,460,724</u>
Operating income	<u>62,905,017</u>	<u>56,941,155</u>	<u>51,908,214</u>
Nonoperating income (expense):			
Interest expense	(22,418,357)	(19,862,797)	(18,716,600)
Payment-in-lieu of taxes	(31,291,744)	(27,333,943)	(28,052,962)
Other	141,760	353,303	849,052
Other nonoperating expense	<u>(1,053,209)</u>	<u>—</u>	<u>(1,420,515)</u>
Total nonoperating expense, net	(54,621,550)	(46,843,437)	(47,341,025)
Contributions and transfers:			
Contributions from developers and others	<u>206,722</u>	<u>234,557</u>	<u>130,878</u>
Change in net assets	8,490,189	10,332,275	4,698,067
Net assets, beginning of year	<u>416,281,226</u>	<u>405,948,951</u>	<u>401,250,884</u>
Net assets, end of year	<u>\$ 424,771,415</u>	<u>416,281,226</u>	<u>405,948,951</u>
Total revenue	\$ 311,682,145	287,771,566	290,217,990
Total expense	303,398,678	277,673,848	285,650,801

Financial Highlights

2014 Compared to 2013

- Net capital assets increased by \$26.4 million in 2014.
- Debt service coverage ratio for 2014 decreased to 1.94 times in comparison with 2.06 for the year ended 2013.
- Other noncurrent assets increased by \$83.3 million in 2014; this increase is primarily related to the issuance of bonds to finance improvements for environmental upgrades to the Nearman power generating stations in 2014 which is funded through the drawdown of the Construction fund.
- Noncurrent liabilities increased by \$110.5 million during 2014; the increase is primarily related to the issuance of new bonds to finance environmental upgrades to Nearman power plant.
- Net position increased by \$8.5 million during 2014.

As of December 31, 2014, the BPU has drawn \$11.8 million from the Kansas Public Water Supply loan fund. The projects funded by this loan consist of a 4MG reservoir at the Nearman Water Treatment Plant and various waterline replacement projects. The 4MG reservoir at Nearman was placed into service in the summer of 2014.

BOARD OF PUBLIC UTILITIES

Management's Discussion and Analysis

December 31, 2014 and 2013

In 2014, the BPU's revenues were approximately \$311.5 million, with the Electric Utility recognizing revenues of \$262.6 million and the Water Utility recognizing revenues of \$48.9 million. The average number of customer accounts remained stable from the prior year.

The BPU's total operating revenue increased by approximately \$24.1 million to \$311.5 million in 2014. The Electric Utility experienced increased electric sales of \$23.2 million compared to 2013. Although overall electric usage was less than one percent above 2013 levels, the majority of the increase is associated with the Energy Rate Component rate which averaged 15% over 2013. With the start of the Southwest Power Pool (SPP) Day Ahead Market, the utility has been able to provide additional generation resources to increase sales. The Water Utility experienced an additional \$0.9 million water sales compared to 2013. In comparison to the 2014 budgeted revenue, overall, the BPU collected 102% of the projected Energy and Water sales and 105% of total operating revenue.

Operating expenses for 2014 and 2013 were approximately \$248.6 million and \$230.5 million, respectively. The Electric Utility represented \$216.3 million and \$199.1 million for 2014 and 2013, respectively, while the Water Utility represented \$32.3 million and \$31.4 million for 2014 and 2013 in operating expenses, respectively. The largest component of operating expenses is fuel, purchased power and production expense. Overall, in 2014, fuel, purchased power and production costs increased by \$16.9 million over 2013. In 2014, the BPU recognized \$5.1 million of deferred revenue from the 2014 over collection of the Energy Rate Component. The BPU's power supply mix for fiscal years 2014 and 2013 was 59% and 61% coal, 28% and 28% net power purchases, 11% and 9% gas, and 2% and 2% oil, respectively.

2013 Compared to 2012

The Board of Directors for the BPU approved increases in electric and water rates charged to customers. Electric rates were approved and increased 7% in 2013. Water rates were approved and were increased 7.5% in 2013.

- Net capital assets increased by \$16.6 million in 2013.
- Debt service coverage ratio for 2013 increased to 2.06 times in comparison with 1.94 for the year ended 2012.
- Other noncurrent assets decreased by \$24.0 million in 2013; this decrease is primarily related to capital projects being completed in 2013, which were funded by the Construction Fund.
- Noncurrent liabilities decreased by \$6.9 million during 2013; the decrease is primarily related to the scheduled payment of outstanding debt.
- Net position increased by \$10.3 million during 2013.

As of December 31, 2013, the BPU has drawn approximately \$10.0 of the \$12.3 million from the Kansas Public Water Supply loan fund. The projects funded by this loan consist of a 4MG reservoir at the Nearman Water Treatment Plant and various waterline replacement projects. The 4MG reservoir was placed into service in the summer of 2014.

In 2013, the BPU's revenues were approximately \$287.4 million, with the Electric Utility recognizing revenues of \$239.5 million and the Water Utility recognizing revenues of \$47.9 million. The average number of customer accounts remained stable from the prior year.

BOARD OF PUBLIC UTILITIES

Management's Discussion and Analysis

December 31, 2014 and 2013

The BPU's total operating revenue decreased by approximately \$2.0 million to \$287.4 million in 2013. The Electric Utility experienced decreased electric sales of \$2.0 million compared to 2012. The decrease can be attributed to electric usage being down approximately 10% across the service territory. Those decreases were slightly offset by an increase of \$1.2 million in Wholesale Sales from 2012. The Water Utility experienced no increase in water sales compared to 2012. In comparison to the 2013 budgeted revenue, overall, the BPU collected 95% of the projected Energy and Water sales and 96% of total Operating Revenue.

Operating expenses for 2013 and 2012 were approximately \$230.5 million and \$237.5 million, respectively. The Electric Utility represented \$199.1 million and \$205.7 million for 2013 and 2012, respectively, while the Water Utility represented \$31.4 million and \$31.7 million for 2013 and 2012, respectively, in operating expenses. The largest component of operating expenses is production, fuel, and purchased power expense. Overall, in 2013, production, fuel, and purchased power costs decreased by \$10.9 million and it was within the 2013 budget. In 2013, the BPU recognized \$1.3 million of deferred expenses from the 2012 under collection of the Energy Rate Component. The BPU also recognized \$2.2 million of expenses for the under the collection of the Energy Rate Component from 2012. The BPU's power supply mix for fiscal years 2013 and 2012 was 61% and 56% coal, 28% and 38% net power purchases, 9% and 4% gas, and 2% and 2% oil, respectively.

Capital Assets and Debt Administration

2014 Compared to 2013

Net capital assets increase by \$26.4 million in 2014. Capital asset additions were offset by approximately \$32.9 million of depreciation and amortization expense.

Refer to note 5 to the financial statements for additional information.

2013 Compared to 2012

Net capital assets increase by \$16.6 million in 2013. Capital asset additions were offset by approximately \$33.6 million of depreciation and amortization expense.

Refer to note 5 to the financial statements for additional information.

Debt Administration

2014 Compared to 2013

Noncurrent liabilities outstanding as of December 31, 2014 and 2013 were \$633.5 million and \$523.0 million, respectively.

The BPU maintains a debt ratio that is consistent with the current provisions in the bond indenture document. This debt service ratio is a measure of the adequacy of cash to pay debt service and is the minimum amount necessary to prevent bond default. The BPU must maintain debt coverage of 1.2. The coverage requirement imposed by the bond indenture is that operating revenues be at least 120% of the maximum annual debt service.

The BPU also has a mandatory provision in its bond indentures for a debt service trigger when debt coverage is 1.3 times or below the annual debt service payment amounts.

BOARD OF PUBLIC UTILITIES
Management's Discussion and Analysis
December 31, 2014 and 2013

As of December 31, 2014 and 2013, the BPU had debt coverage of 1.94 times and 2.06 times, respectively.

In 2014, the BPU's utility system bonds for both electric and water debt are rated A+ from both Fitch and Standard & Poor's Rating Services and A3 from Moody's Investors Service. The interest rate on the BPU's outstanding debt ranges from 2.0% to 5.95%. Interest on debt expense, net of amounts capitalized, for 2014 and 2013 was \$22.4 million and \$19.9 million, respectively.

Refer to note 6 to the financial statements for additional information.

2013 Compared to 2012

Noncurrent liabilities outstanding as of December 31, 2013 and 2012 were \$523.0 million and \$529.9 million, respectively.

The BPU maintains a debt ratio that is consistent with the current provisions in the bond indenture document. This debt service ratio is a measure of the adequacy of cash to pay debt service and is the minimum amount necessary to prevent bond default. The BPU must maintain debt coverage of 1.2. The coverage requirement imposed by the bond indenture is that operating revenues be at least 120% of the maximum annual debt service.

The BPU also has a mandatory provision in its bond indentures for a debt service trigger when debt coverage is 1.3 times or below the annual debt service payment amounts.

As of December 31, 2013 and 2012, the BPU had debt coverage of 2.06 times and 1.94 times, respectively.

In 2013, the BPU's utility system bonds for both electric and water debt are rated A+ from both Fitch and Standard & Poor's Rating Services and A3 from Moody's Investors Service. The interest rate on the BPU's outstanding debt ranges from 2% to 5.95%. Interest expense on debt, net of amounts capitalized, for 2013 and 2012 was \$19.9 million and \$18.7 million, respectively.

Refer to note 6 to the financial statements for additional information.



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BOARD OF PUBLIC UTILITIES

Statements of Net Position

December 31, 2014 and 2013

Assets and Deferred Outflows of Resources	2014	2013
Noncurrent assets:		
Capital assets:		
Property, plant, and equipment	\$ 1,480,675,354	1,467,415,770
Less accumulated depreciation	<u>(699,475,741)</u>	<u>(695,708,200)</u>
Plant in service, net	781,199,613	771,707,570
Construction work in progress	<u>85,686,636</u>	<u>68,755,336</u>
Capital assets, net	<u>866,886,249</u>	<u>840,462,906</u>
Restricted assets:		
Cash and cash equivalents	70,465,979	16,711,280
Investments	<u>40,246,106</u>	<u>10,247,347</u>
Total restricted assets	110,712,085	26,958,627
Other assets	73,137	1,291,532
System development costs, net	2,230,480	883,742
Regulatory assets	<u>1,072,638</u>	<u>1,608,957</u>
Total noncurrent assets	<u>980,974,589</u>	<u>871,205,764</u>
Current assets:		
Cash and cash equivalents	43,374,081	27,740,280
Cash and cash equivalents – restricted	7,600,089	7,748,002
Investments – restricted	21,164,732	15,381,585
Accounts receivable – customers and other	29,215,680	27,185,074
Accounts receivable – unbilled	11,061,112	10,801,999
Allowance for doubtful accounts	(1,456,405)	(1,193,604)
Inventories	31,032,383	30,580,211
Regulatory assets	—	2,181,413
Prepayments and other current assets	<u>2,494,641</u>	<u>2,688,663</u>
Total current assets	<u>144,486,313</u>	<u>123,113,623</u>
Total assets	<u>1,125,460,902</u>	<u>994,319,387</u>
Deferred outflows of resources:		
Deferred loss on bond refunding	<u>13,379,769</u>	<u>7,012,191</u>
Total deferred outflows of resources	<u>13,379,769</u>	<u>7,012,191</u>
Total assets and deferred outflows of resources	<u>\$ 1,138,840,671</u>	<u>1,001,331,578</u>

BOARD OF PUBLIC UTILITIES

Statements of Net Position

December 31, 2014 and 2013

Liabilities, Deferred Inflows of Resources, and Net Position	2014	2013
Net position:		
Net investment in capital assets	\$ 347,346,161	344,200,332
Restricted – debt service	26,101,848	46,162,140
Unrestricted	51,323,406	25,918,754
Total net position	<u>424,771,415</u>	<u>416,281,226</u>
Liabilities:		
Noncurrent liabilities:		
Long-term debt – revenue bonds	576,897,762	474,093,256
Government loans	30,415,148	25,897,005
Capital lease	854,126	690,070
Total long-term debt and capital lease obligations	<u>608,167,036</u>	<u>500,680,331</u>
Postretirement benefit obligation	4,268,837	3,719,986
Reserve for compensated absences	3,691,000	4,829,000
Pension obligation	17,326,288	13,748,259
Total noncurrent liabilities	<u>633,453,161</u>	<u>522,977,576</u>
Current liabilities:		
Current maturities of revenue bonds	17,945,000	19,030,000
Current maturities of government loans	2,033,714	1,688,935
Current maturities of capital lease obligations	600,093	321,746
Accrued interest	9,623,906	7,462,157
Customer deposits	3,796,842	3,612,072
Accounts payable	28,929,220	18,035,491
Payroll and payroll taxes	2,566,646	2,217,757
Accrued claims payable	4,258,888	4,425,164
Other accrued liabilities	3,302,348	3,349,126
Payment-in-lieu of taxes	2,429,543	1,930,328
Total current liabilities	<u>75,486,200</u>	<u>62,072,776</u>
Total liabilities	<u>708,939,361</u>	<u>585,050,352</u>
Deferred inflows of resources:		
Recovery fuel purchased power	5,129,895	—
Total deferred inflows of resources	<u>5,129,895</u>	<u>—</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,138,840,671</u>	<u>1,001,331,578</u>

See accompanying notes to financial statements.

BOARD OF PUBLIC UTILITIES

Statements of Revenues, Expenses, and Changes in Net Position Years ended December 31, 2014 and 2013

	2014	2013
Operating revenues:		
Residential	\$ 89,816,917	86,654,645
Commercial	104,306,455	99,649,009
Industrial	47,842,971	44,178,102
Other	43,412,193	28,305,763
Energy rate component recovery	(5,129,895)	1,296,801
Payment-in-lieu of taxes	31,291,744	27,333,943
Total operating revenues	311,540,385	287,418,263
Operating expenses:		
Fuel	68,256,346	53,191,065
Purchased power	25,244,462	21,115,446
Production	46,150,561	48,472,370
Transmission and distribution	41,865,301	42,336,766
General and administrative	34,179,058	31,747,806
Depreciation and amortization	32,939,640	33,613,655
Total operating expenses	248,635,368	230,477,108
Operating income	62,905,017	56,941,155
Nonoperating revenue (expense):		
Interest expense	(22,418,357)	(19,862,797)
Payment-in-lieu of taxes	(31,291,744)	(27,333,943)
Other	141,760	353,303
Other nonoperating expense	(1,053,209)	—
Total nonoperating expense, net	(54,621,550)	(46,843,437)
Income before contributions and transfers	8,283,467	10,097,718
Contributions and transfers:		
Contributions from developers and others	206,722	234,557
Change in net position	8,490,189	10,332,275
Net position, beginning of year	416,281,226	405,948,951
Net position, end of year	\$ 424,771,415	416,281,226

See accompanying notes to financial statements.

BOARD OF PUBLIC UTILITIES

Statements of Cash Flows

Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Receipts from customers	\$ 316,633,994	289,046,894
Payments to suppliers	(150,825,162)	(132,651,310)
Payments to employees	<u>(59,353,955)</u>	<u>(59,444,704)</u>
Net cash provided by operating activities	<u>106,454,877</u>	<u>96,950,880</u>
Cash flows used in noncapital financing activities – payment-in-lieu of taxes	(30,792,530)	(27,097,690)
Cash flows from capital and related financing activities:		
Purchases of property, plant, and equipment	(57,294,506)	(46,293,694)
Payments on capital leases	(535,386)	—
Issuance of revenue bonds	209,062,385	—
Increase in capital lease obligation	977,789	1,011,816
System development costs	(2,180,085)	(629,428)
Accounts payable related to capital activities	8,955,149	(4,432,022)
Debt issue cost paid	(1,053,209)	—
Payments on revenue bonds	(111,464,243)	(16,970,000)
Payments on government loans	(1,855,135)	(1,155,230)
Issuance of government loans	6,718,057	9,952,550
Interest paid on utility system debt	<u>(22,148,462)</u>	<u>(23,050,846)</u>
Net cash provided by (used in) capital and related financing activities	<u>29,182,354</u>	<u>(81,566,854)</u>
Cash flows from investing activities:		
Purchases of investments	(106,244,674)	(145,692,833)
Proceeds from sales and maturities of investments	70,462,768	137,578,860
Interest received	177,792	35,929
Net cash used in investing activities	<u>(35,604,114)</u>	<u>(8,078,044)</u>
Net increase (decrease) in cash and cash equivalents	69,240,587	(19,791,708)
Cash and cash equivalents, beginning of year	52,199,562	71,991,270
Cash and cash equivalents, end of year	<u>\$ 121,440,149</u>	<u>52,199,562</u>
Components of cash and cash equivalents at end of fiscal year:		
Restricted	\$ 78,066,068	24,459,282
Unrestricted	43,374,081	27,740,280
	<u>\$ 121,440,149</u>	<u>52,199,562</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 62,905,017	56,941,155
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	32,939,640	33,613,655
Changes in noncash assets and noncash liabilities:		
Accounts receivable – customers and other, net	(2,026,918)	(243,652)
Inventories	(452,172)	6,070,082
Prepayments and other current assets	29,654	862,115
Customer deposits	184,770	167,256
Accounts payable	1,938,580	(1,582,707)
Payroll and payroll-related liabilities	(789,111)	(103,760)
Accrued claims payable	(166,276)	(1,021,390)
Other accrued liabilities	(46,779)	287,649
Deferred fuel costs and deferred purchased power	7,311,308	(3,478,214)
Pension obligation	3,578,029	4,168,735
Other noncurrent assets, net	1,049,135	1,269,956
Net cash provided by operating activities	<u>\$ 106,454,877</u>	<u>96,950,880</u>
Supplemental noncash disclosure:		
Contributions of capital assets from developers	\$ 206,722	234,557

See accompanying notes to financial statements.

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

(1) Summary of Significant Accounting Policies

(a) Description of Business

The Board of Public Utilities of Kansas City, Kansas (the BPU) consists of the municipal electric and water utility, which provide services to approximately 63,000 electric and 50,000 water customers.

Under Charter Ordinance of the Unified Government of Wyandotte County, Kansas City, Kansas (the Unified Government), the BPU is an administrative agency of the Unified Government and, as such, is a part of the Unified Government's primary government. However, the BPU's operational and administrative control is under a six-member elected board of directors (the Board). The accompanying financial statements represent the combination of only those operations related to the Unified Government's electric and water utility.

(b) Basis of Accounting

The BPU accounts for the water and electric utility as an enterprise fund. Significant interdepartmental accounts, including interdepartmental sales, have been eliminated. BPU uses the accrual basis of accounting under which revenues are recognized when earned and expenses are recorded when liabilities are incurred. The BPU's accounting policies conform to the requirements for regulated operations. In accordance with these rules, certain costs or credits may be recorded as deferred charges or credits when it is probable that future rates established by the Board permit recovery of specific costs or require these credits to be returned to ratepayers. The BPU applies the provisions of GASB Accounting Standards Codification Section Re10, *Regulated Operations*, as appropriate.

Revenues and expenses are classified as either operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with ongoing operations. Operating revenues include activities that have characteristics of exchange transactions, including charges for services. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as grants, subsidies, and investment income. Operating expenses include the cost of service, payroll, administrative expenses, contractual services, and depreciation. All expenses not meeting the above criteria are classified as nonoperating.

(c) Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of capital assets; allowances for doubtful accounts, and inventory; and reserves for employee benefit obligations, environmental liabilities, and other contingencies.

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

(d) Revenue Recognition

Operating revenues are recognized when electric and water services are delivered to customers. Payment-in-lieu of taxes represents amounts billed and collected by the BPU on behalf of the Unified Government. The BPU remits all such amounts to the Unified Government.

Meters are read and bills are rendered on a cycle basis. Unbilled revenue represents services delivered to customers and not billed at the end of a period. Management accrues estimated delivered amounts each period.

Operating revenues reported in the statements of revenues, expenses, and changes in net position are shown net of discounts and estimated allowances for doubtful accounts.

(e) Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased. Current restricted assets are assets that are scheduled to be disbursed within the year.

(f) Capital Assets

Capital assets are stated at cost to acquire or cost to construct. These costs include payroll-related costs, including pensions and other fringe benefits. When capital assets are disposed, the net book value of assets retired plus the cost of removal, less salvage, is charged against accumulated depreciation with no gain or loss recognized. Repairs and maintenance are charged to maintenance expense. Contributions from developers and others are stated at fair market value at the date donated. Currently, BPU has a capitalization threshold of \$5,000 for plant assets.

(g) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2014 and 2013, the BPU reported a deferred outflow of resources of \$13,379,769 and \$7,012,191. In 2014, the BPU recognized a deferred outflow of resources of \$7,002,077 as a result of the 2014 Bond refunding issue (see note 6). In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. At December 31, 2014 and 2013, the BPU reported \$5,129,895 and \$0, respectively, from the over recovery of the Energy Rate Component (ERC) rider.

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

(h) Depreciation

The BPU depreciates plant and equipment on a composite basis over their estimated useful lives on a straight-line basis. The following composite depreciation rates were used for 2014 and 2013:

	<u>Composite rates</u>	<u>Useful lives (in years)</u>
Production plant	1.67%–4.00%	25–75
Transmission and distribution	1.67%–6.67%	15–75
General plant	2.27%–10.00%	10–44

(i) Interest Capitalization

Interest costs incurred to finance construction work in progress net of interest income from tax-exempt bonds are capitalized. The BPU capitalized \$1.9 million in 2014 and \$3.9 million in 2013.

(j) Accounts Receivable

An estimate is made for the provision for uncollectible accounts based on an analysis of the aged accounts receivable and historical write-offs, net of recoveries. Additional amounts may be included based upon management’s evaluation of customer credit risks. Allowances for doubtful accounts totaled \$1.5 million and \$1.2 million at December 31, 2014 and 2013, respectively.

(k) Inventories

Inventories are stated at the lower of average cost or market (net realizable value) and consist of the following:

	<u>2014</u>	<u>2013</u>
Fuel	\$ 8,859,758	7,630,935
Material and supplies	22,172,625	22,949,276
Total	<u>\$ 31,032,383</u>	<u>30,580,211</u>

(l) Investments

Investments consist of deposits, repurchase agreements, certificates of deposit, money market funds, and U.S. Treasury securities, which are recorded at estimated fair value as determined by market prices. BPU’s investment policies are governed by the BPU’s Charter Ordinance, management policies, and statutes established by the State of Kansas. Securities are held by BPU’s safekeeping agent. Cash deposits are held with banks insured by Federal Deposit Insurance Corporation (FDIC) and acceptable collateral is maintained for amounts above FDIC limits, equal to or greater than 102% of the funds deposited at all times.

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

(m) *Brushy Creek Coal Company and Liberty Coal Company*

The BPU holds an indirect 50% interest in Brushy Creek Coal Company (BCCC) and a 50% indirect interest in Liberty Coal Company (Liberty). The other 50% interest is indirectly owned by the City of Sikeston, Missouri (Sikeston). BCCC was the owner and operator of a coal mine and related equipment located in Illinois. BCCC discontinued mining operations in 1997. BCCC did not have material operations during the years ended December 31, 2014 and 2013. Upon cessation of operations at BCCC, the BPU became contractually responsible for 50% of asset retirement obligations and for 50% of certain postretirement benefits to mine workers. At December 31, 2014 and 2013, the BPU has recorded an estimated liability of \$1.6 million and \$1.8 million, respectively, within accrued claims payable for its estimated remaining share of these obligations. Funding provided for these obligations was \$187,500 and \$180,000 in 2014 and 2013, respectively.

The amounts recorded for the BPU's portion of the asset retirement obligation and the miners' benefits require significant judgment and involve a number of estimates. The BPU has recorded its estimated obligations for each of these items using information currently available to management. These estimates could change significantly over time.

(n) *Customer Deposits*

Customer deposits are moneys that have been collected from customers that are held by the BPU until the customer either terminates their service or the customer is in good credit standing with the BPU for 12 months. The funds are held in an interest-bearing account; after 12 months, the deposit, plus interest, is credited back to the customer.

(o) *Debt Issuance Costs*

Debt issuance costs are expensed as incurred with the exception that bond insurance premiums are capitalized and amortized over the life of the bonds.

(p) *Vacation and Sick Leave*

Under the terms of the BPU's personnel policy, employees are granted vacation and sick leave. In the event of termination, an employee is paid for accumulated vacation days. Employees may carry over, from year to year, a maximum of 80 hours of vacation hours for bargaining unit employees and 120 hours for nonbargaining employees. The liability for accumulated vacation of \$1,099,000 and \$1,155,000 includes current vacation of \$349,230 and \$201,600 at December 31, 2014 and 2013, respectively, which are included in reserve for compensated absences and payroll and payroll tax liabilities in the accompanying statements of net position. Sick leave can be accrued up to 1,760 hours. Employees who resign with at least 15 years of service are paid for 75% of accumulated sick leave. All employees are paid for accumulated sick leave upon retirement or death. The liability for accrued sick leave of \$4,255,000 and \$4,682,000 includes current sick leave of \$1,313,770 and \$806,400 at December 31, 2014 and 2013, respectively, which is included in reserve for compensated absences and payroll and payroll taxes in the accompanying statements of net position.

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Notes to Financial Statements

December 31, 2014 and 2013

		2014			
		<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Sick leave	\$	4,682,000	886,770	(1,313,770)	4,255,000
Vacation		1,155,000	293,230	(349,230)	1,099,000

		2013			
		<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Sick leave	\$	4,763,000	725,400	(806,400)	4,682,000
Vacation		1,193,000	163,600	(201,600)	1,155,000

(g) Net Position

In the financial statements, equity is displayed in three components as follows:

- Net investment in capital assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – This consists of net positions that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is generally the BPU’s policy to use restricted resources first, then unrestricted resources as they are needed.
- Unrestricted – This consists of net positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

(r) New Accounting Pronouncements

In March 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. The provisions of this Statement are effective for financial reporting periods beginning after June 15, 2014. The BPU is currently assessing the impact of this statement.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. The objective of this Statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. Government combinations also include transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and are to be

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

applied on a prospective basis. The adoption of this statement did not have a material impact on the financial statements.

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013. The adoption of this statement did not have a material impact on the financial statements.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined-benefit pension plan after the measurement date of the government’s beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. The BPU is currently assessing the impact of this statement.

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The adoption of this statement is not expected to have a material impact on the financial statements.

(2) Cash and Investments

Kansas state statutes authorize the BPU, with certain restrictions, to invest in open accounts, time deposits, certificates of deposit, U.S. Treasury notes, and U.S. agency notes. All deposits with banks are collateralized at 102% of market value, as required by the BPU’s Cash and Investment Policy and Kansas state statute, less insured amounts.

The following represents the BPU’s total cash and investments at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Cash and certificates of deposit (CDs)	\$ 655,323	581,303
Repurchase agreements	49,819,268	34,015,375
U.S. agency	84,729,992	35,640,515
Money market funds	47,646,404	7,591,301
Total cash and investments	<u>\$ 182,850,987</u>	<u>77,828,494</u>

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

Cash and investments are included in the following statement of net position accounts at December 31, 2014 and 2013:

	2014	2013
Current assets:		
Cash and cash equivalents	\$ 43,374,081	27,740,280
Cash and cash equivalents – restricted	7,600,089	7,748,002
Investments – restricted	21,164,732	15,381,585
Noncurrent restricted assets:		
Cash and cash equivalents	70,465,979	16,711,280
Investments	40,246,106	10,247,347
	\$ 182,850,987	77,828,494

(a) Deposits and Investments

The BPU maintains a cash and investment program to pay for operating and capital requirements as well as for debt service requirements. The investment program consists of deposits, repurchase agreements, certificates of deposit, and U.S. Treasury securities. Other investments using U.S. agency and money market fund securities for the debt service program are managed by the bond trustee. Nearly all maturities of securities were less than one year. At December 31, 2014 and 2013, the bank balance and certificates of deposit were \$655,323 and \$581,303, respectively, which were covered by federal depository insurance or collateral held in safekeeping in the BPU's name.

The fair values, as determined by market prices, of the BPU's cash and investments at December 31, 2014 are as follows:

Investment type	Fair value	Investment maturities		
		Less than 6 months	6–12 months	Greater than 12 months
Cash and CDs	\$ 655,323	655,323	—	—
Repurchase agreements	49,819,268	48,388,069	—	1,431,199
U.S. agency	84,729,992	76,511,113	8,218,879	—
Money market funds	47,646,404	47,646,404	—	—
Total	\$ 182,850,987	173,200,909	8,218,879	1,431,199

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Notes to Financial Statements

December 31, 2014 and 2013

The fair values, as determined by market prices, of the BPU's cash and investments at December 31, 2013 are as follows:

Investment type	Fair value	Investment maturities		
		Less than 6 months	6-12 months	Greater than 12 months
Cash and CDs	\$ 581,303	332,114	—	249,189
Repurchase agreements	34,015,375	32,585,052	—	1,430,323
U.S. agency	35,640,515	28,111,635	7,528,880	—
Money market funds	7,591,301	7,591,301	—	—
Total	\$ 77,828,494	68,620,102	7,528,880	1,679,512

Investment Policy

The BPU has an investment policy that regulates investments in securities that have objectives of safety of principal, liquidity with all investments in U.S. dollars, and investment returns optimized within the constraints of safety and liquidity. Eligible securities are specific to Kansas state statutes and the BPU's bond indenture agreements. All securities owned by the BPU are in conformance with the investment policy.

Credit Risk

Credit risk is the risk that an entity will not be able to honor its commitments in the event of liquidation. The BPU's investment policy states that the investment portfolio be designed and managed in accordance with the responsibility of ensuring the public's trust and is consistent with state and local laws. Two investment objectives that the BPU strives for are safety and liquidity. Investments are made so as to minimize the potential for realized losses arising from changes in market value or issuer default. Sufficient liquidity is also maintained in order to meet the anticipated cash needs of the utility. The BPU manages credit risk by requiring all investments meet the investment guidelines as established by the State of Kansas as described in K.S.A. 12-1675 and 10-131. These statutes require all investments be in (a) U.S. Treasury securities; (b) U.S. agency securities; (c) Money Market Mutual Funds; (d) Repurchase Agreement securities; (e) and any external investment pools and be the highest rated by nationally recognized rating agencies. All of the BPU's securities including money market mutual funds are AAA rated by Moody's. Any bank deposits and certificates of deposit are fully collateralized by the FDIC or other qualifying securities. All securities held by the BPU meet the credit quality objective.

Custody Risk

Custody risk is the risk that, in the event of the failure of the counterparty to a transaction, an entity will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The BPU believes it has no custodial risk. All securities are registered in the name of the BPU and held by a third-party safekeeping agent. Investments in money market mutual funds are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book entry form.

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The BPU manages credit risk by requiring all investments meet the investment guidelines as established by the state of Kansas in K.S.A. 12-1675 and 10-131 and diversifying investment holdings to avoid high concentration of any one security issuer. The BPU has a concentration of credit risk where it holds more than 5% of its investment portfolio in any one security issuer other than U.S. Treasury securities and in investment pools.

The following U.S. agency securities held in safekeeping by the BPU's bond trustee are in excess of 5% of total investments as of December 31, 2014:

<u>Issuer</u>	<u>Amount</u>	<u>Percentage of total portfolio</u>
Federal Home Loan Bank	\$ 49,072,551	26.84%
Federal National Mortgage Association	26,203,963	14.33%
Federal Home Loan Mortgage Corp	9,453,478	5.17%

The following U.S. agency securities held in safekeeping by the BPU's bond trustee are in excess of 5% of total investments as of December 31, 2013:

<u>Issuer</u>	<u>Amount</u>	<u>Percentage of total portfolio</u>
Federal Home Loan Bank	\$ 28,994,437	37.25%

Interest Rate Risk

Interest rate risk is the risk that the fair value of the BPU's investments will decrease as a result of the increase in interest rates. The BPU investment policy requires the minimization of the risk of market value change. This is accomplished by structuring the investment portfolio so that fixed income securities mature to meet cash requirements for debt service and other disbursement requirements for ongoing operations and by keeping maturities short.

Derivatives

The BPU has not used derivative instruments historically. Contracts containing derivatives, such as coal procurement and other commodity purchase contracts are routinely evaluated and amounts purchased have been used by the BPU in producing power and qualify as normal purchases.

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

(b) Nonrestricted Designated Assets

Certain cash and investment amounts have been designated by Board policy for specific purposes as follows:

	<u>2014</u>	<u>2013</u>
Economic development fund	\$ 432,500	419,850
Capital debt reduction	6,290,000	3,540,000
Reserve for liability insurance	2,100,000	2,100,000
Rate stabilization fund	9,156,273	11,906,273
System development reserve	6,352,276	5,584,582
Total	<u>\$ 24,331,049</u>	<u>23,550,705</u>

(3) Restricted Assets

Restricted assets were held in the following funds at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Debt service fund	\$ 24,968,645	19,517,705
Customer deposits	3,796,841	3,612,072
Construction funds	109,211,420	25,458,437
Improvement and emergency fund	1,500,000	1,500,000
Total restricted assets	<u>\$ 139,476,906</u>	<u>50,088,214</u>

The BPU is permitted to invest funds in specified types of investments in accordance with its investment policy until the time such funds are required to be disbursed for their designated purposes.

(4) Dogwood Energy Facility (Dogwood)

BPU owns an undivided 17% interest in the assets of the Dogwood Energy Facility (Dogwood), a natural gas-fired combined cycle generating plant located in Pleasant Hill, Missouri in Cass County, Missouri, operated by Dogwood Energy, LLC. In addition to the BPU, Kansas Power Pool (KPP), Missouri Joint Municipal Electric Utility Commission (MJMEUC) and the City of Independence, Missouri also own 7.0%, 8.2%, and 12.3% shares, respectively of the Dogwood Energy Facility. Dogwood Energy, LLC maintains the remaining ownership share (55.5%) in the facility.

The BPU's share of the 630 megawatt (MW) rated capability of Dogwood is approximately 110 megawatts (MW). Generation from Dogwood and operating expenses incurred by Dogwood are allocated to the BPU based on the 17% ownership interest. The BPU's proportionate share of their plant operating expenses is included in the corresponding operating expenses in the statement of net position. In addition, the BPU is required to provide its share of financing for any capital additions to Dogwood. During 2014 and 2013, BPU's portion of fuel expense was \$6,468,755 and \$4,495,000, respectively, and its portion of operating and maintenance expense was \$2,279,479 and \$3,315,000, respectively. BPU also receives a portion of the wholesale sales generated by the Dogwood plant. BPU received \$8,093,122 during 2014 and \$2,119,900

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Notes to Financial Statements

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during 2013 in wholesale sales from Dogwood. These amounts are included in the accompanying statements of revenues, expenses and changes in net position.

The BPU applied proportionate consolidation rules to record its undivided ownership interest in this facility. The BPU's investment includes an acquisition adjustment of \$34.8 million, which is presented as property, plant, and equipment and amortized over the estimated remaining life of the plant (29.1 year). The BPU paid 15 years of Payment-in-lieu of taxes (PILOT) to Cass County, Missouri in the amount of \$2.5 million. This was recorded as a prepayment and is being amortized until 2028.

The BPU Board of Directors has approved the recovery of amounts invested in this facility, including the acquisition adjustments in current rates.

Information relative to the BPU's ownership interest in Dogwood as of December 31, 2014, is shown in the table below. These amounts are included in the 2014 Capital Assets table in note 5.

<u>Facility (type)</u>	<u>Percent ownership</u>	<u>Net MW</u>	<u>Plant in service</u>	<u>Accumulated depreciation</u>	<u>CWIP</u>
Dogwood (combined cycle)	17%	110	\$ 34,072,147	2,348,034	1,854,574

The BPU has an operating agreement with Dogwood Energy, LLC, which provides for a management committee comprising one representative and an alternate from each participant. Dogwood Power Management, LLC, the project management company, controls the operating and maintenance decisions of Dogwood in its role as operator. The BPU and other participating entities have joint approval rights for the annual business plan, the annual budget, and material changes to the budget.

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(5) Capital Assets

Capital asset activity for the year ended December 31, 2014 is as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ adjustments</u>	<u>Ending balance</u>
Electric:					
Production plant	\$ 664,983,979	8,406,206	(41,464)	(1,193,790)	672,154,931
Transmission and distribution	337,921,811	7,996,316	(433,215)	33,510	345,518,422
General plant	124,074,728	5,750,381	(21,658,327)	(142,560)	108,024,222
Total electric	<u>1,126,980,518</u>	<u>22,152,903</u>	<u>(22,133,006)</u>	<u>(1,302,840)</u>	<u>1,125,697,575</u>
Water:					
Production plant	133,061,631	2,243,231	—	—	135,304,862
Transmission and distribution	161,664,573	15,660,690	(283,240)	1,662	177,043,685
General plant	45,709,048	1,702,381	(4,884,054)	101,857	42,629,232
Total water	<u>340,435,252</u>	<u>19,606,302</u>	<u>(5,167,294)</u>	<u>103,519</u>	<u>354,977,779</u>
Property, plant, and equipment	1,467,415,770	41,759,205	(27,300,300)	(1,199,321)	1,480,675,354
Construction work in progress – not depreciable	68,755,336	52,790,382	(35,858,737)	(345)	85,686,636
Total capital assets	<u>1,536,171,106</u>	<u>94,549,587</u>	<u>(63,159,037)</u>	<u>(1,199,666)</u>	<u>1,566,361,990</u>
Less accumulated depreciation:					
Electric:					
Production plant	336,769,215	11,046,387	(41,464)	—	347,774,138
Transmission and distribution	190,406,131	9,727,978	(433,215)	—	199,700,894
General plant	68,038,651	3,857,568	(21,658,329)	275,081	50,512,971
Total electric	<u>595,213,997</u>	<u>24,631,933</u>	<u>(22,133,008)</u>	<u>275,081</u>	<u>597,988,003</u>
Water:					
Production plant	45,437,891	2,729,795	—	—	48,167,686
Transmission and distribution	26,245,093	2,851,170	(283,240)	—	28,813,023
General plant	28,811,219	854,946	(4,884,055)	(275,081)	24,507,029
Total water	<u>100,494,203</u>	<u>6,435,911</u>	<u>(5,167,295)</u>	<u>(275,081)</u>	<u>101,487,738</u>
Combined total	<u>695,708,200</u>	<u>31,067,844</u>	<u>(27,300,303)</u>	<u>—</u>	<u>699,475,741</u>
Capital assets, net	<u>\$ 840,462,906</u>	<u>63,481,743</u>	<u>(35,858,734)</u>	<u>(1,199,666)</u>	<u>866,886,249</u>

As discussed in note 4, on December 18, 2012, the BPU acquired an undivided 17% interest in the assets of the Dogwood Energy Facility (Dogwood). The BPU's portion of Dogwood had a net utility plant investment of \$67.8 million, which included an acquisition adjustment of \$34.8 million. This amount is included in the Electric Production Plant. The BPU is amortizing the acquisition adjustment over 29.1 years. The amortization of the acquisition adjustment is included in allowable costs and is being recovered in amounts

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charge to customers. The amount amortized in 2014 and 2013 is \$1,201,133 and \$1,201,133, respectively and is included in the Electric Production Plant Adjustments in the 2014 and 2013 table.

Capital asset activity for the year ended December 31, 2013 is as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers/ adjustments</u>	<u>Ending balance</u>
Electric:					
Production plant	\$ 636,923,466	33,612,949	(4,382,583)	(1,169,853)	664,983,979
Transmission and distribution	326,467,458	14,345,334	(2,728,270)	(162,711)	337,921,811
General plant	120,800,956	3,383,994	(159,299)	49,077	124,074,728
Total electric	<u>1,084,191,880</u>	<u>51,342,277</u>	<u>(7,270,152)</u>	<u>(1,283,487)</u>	<u>1,126,980,518</u>
Water:					
Production plant	131,242,386	1,819,245	—	—	133,061,631
Transmission and distribution	143,628,418	22,174,963	(4,063,360)	(75,448)	161,664,573
General plant	44,318,353	1,457,899	(61,309)	(5,895)	45,709,048
Total water	<u>319,189,157</u>	<u>25,452,107</u>	<u>(4,124,669)</u>	<u>(81,343)</u>	<u>340,435,252</u>
Property, plant, and equipment	1,403,381,037	76,794,384	(11,394,821)	(1,364,830)	1,467,415,770
Construction work in progress – not depreciable	95,996,823	47,983,513	(75,225,000)	—	68,755,336
Total capital assets	<u>1,499,377,860</u>	<u>124,777,897</u>	<u>(86,619,821)</u>	<u>(1,364,830)</u>	<u>1,536,171,106</u>
Less accumulated depreciation:					
Electric:					
Production plant	329,409,854	11,741,944	(4,382,583)	—	336,769,215
Transmission and distribution	183,455,582	9,678,819	(2,728,270)	—	190,406,131
General plant	64,020,252	4,176,958	(159,300)	741	68,038,651
Total electric	<u>576,885,688</u>	<u>25,597,721</u>	<u>(7,270,153)</u>	<u>741</u>	<u>595,213,997</u>
Water:					
Production plant	42,755,426	2,682,465	—	—	45,437,891
Transmission and distribution	28,035,410	2,273,043	(4,063,360)	—	26,245,093
General plant	27,795,836	1,077,432	(61,308)	(741)	28,811,219
Total water	<u>98,586,672</u>	<u>6,032,940</u>	<u>(4,124,668)</u>	<u>(741)</u>	<u>100,494,203</u>
Combined total	<u>675,472,360</u>	<u>31,630,661</u>	<u>(11,394,821)</u>	<u>—</u>	<u>695,708,200</u>
Capital assets, net	<u>\$ 823,905,500</u>	<u>93,147,236</u>	<u>(75,225,000)</u>	<u>(1,364,830)</u>	<u>840,462,906</u>

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(6) Long-Term Debt

The BPU's indebtedness as of December 31, 2014 consists of the following obligations:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amount due in one year</u>
Revenue bonds:					
2001	\$ 9,310,000	—	(960,000)	8,350,000	1,015,000
2004 refunding	96,580,000	—	(96,580,000)	—	—
2004B	1,370,000	—	(1,370,000)	—	—
2009A	52,280,000	—	(1,490,000)	50,790,000	1,535,000
2010 refunding	25,495,000	—	(2,410,000)	23,085,000	3,330,000
2011	88,975,000	—	(975,000)	88,000,000	3,110,000
2012 refunding	110,830,000	—	—	110,830,000	1,785,000
2012B	77,925,000	—	(1,870,000)	76,055,000	1,845,000
2014	—	190,620,000	—	190,620,000	5,325,000
	462,765,000	190,620,000	(105,655,000)	547,730,000	17,945,000
Unamortized premium	30,457,294	18,442,385	(1,701,384)	47,198,295	
Unamortized discount	(99,038)	—	13,505	(85,533)	
Total revenue bonds	493,123,256	209,062,385	(107,342,879)	594,842,762	
Capital leases	1,011,816	977,789	(535,386)	1,454,219	600,093
Government loans -Unified KCK	—	4,982,500	(116,250)	4,866,250	285,000
Government loans – KDHE	27,585,940	1,735,557	(1,738,885)	27,582,612	1,748,714
	\$ 521,721,012	216,758,231	(109,733,400)	628,745,843	20,578,807

The BPU's indebtedness as of December 31, 2013 consists of the following obligations:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amount due in one year</u>
Revenue bonds:					
2001	\$ 10,215,000	—	(905,000)	9,310,000	960,000
2004 refunding	106,015,000	—	(9,435,000)	96,580,000	9,955,000
2004B	2,680,000	—	(1,310,000)	1,370,000	1,370,000
2009A	53,700,000	—	(1,420,000)	52,280,000	1,490,000
2010 refunding	27,780,000	—	(2,285,000)	25,495,000	2,410,000
2011	88,975,000	—	—	88,975,000	975,000
2012 refunding	110,830,000	—	—	110,830,000	—
2012B	79,540,000	—	(1,615,000)	77,925,000	1,870,000
	479,735,000	—	(16,970,000)	462,765,000	19,030,000

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	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amount due in one year</u>
Unamortized premium	\$ 31,953,764	—	(1,496,470)	30,457,294	
Unamortized discount	(112,543)	—	13,505	(99,038)	
Total revenue bonds	511,576,221	—	(18,452,965)	493,123,256	
Capital leases	—	1,011,816	—	1,011,816	321,746
Government loans	18,788,619	9,952,551	(1,155,230)	27,585,940	1,688,935
	<u>\$ 530,364,840</u>	<u>10,964,367</u>	<u>(19,608,195)</u>	<u>521,721,012</u>	<u>21,040,681</u>

Details of utility system revenue bonds outstanding at December 31, 2014 and 2013 are as follows:

<u>Revenue bonds</u>	<u>Interest rate</u>	<u>Original amount</u>	<u>Maturity</u>	<u>2014</u>	<u>2013</u>
2001 Series	4.00-5.95	\$ 17,170,000	44,317	\$ 8,350,000	9,310,000
2004 Refunding	5.60-5.65	126,005,000	45,170	—	96,580,000
2004B	3.00-5.00	115,535,000	48,458	—	1,370,000
2009A	4.73-5.30	57,575,000	49,188	50,790,000	52,280,000
2010 Refunding	4.40-4.72	32,190,000	46,997	23,085,000	25,495,000
2011 Series	2.00-5.20	90,000,000	49,919	88,000,000	88,975,000
2012 Refunding	3.12-5.00	110,830,000	48,458	110,830,000	110,830,000
2012B	2.00-5.00	79,540,000	50,284	76,055,000	77,925,000
2014 Refunding and Improvement	4.00-5.00	190,620,000	52,841	190,620,000	—
Subtotal				547,730,000	462,765,000
Current maturities				(17,945,000)	(19,030,000)
Unamortized premium				47,198,295	30,457,294
Unamortized discount				(85,533)	(99,038)
Total utility system revenue bonds, excluding current maturities				<u>\$ 576,897,762</u>	<u>474,093,256</u>

Interest on portions of the outstanding utility system revenue bonds is payable on a semiannual basis. As of December 31, 2014 and 2013, the BPU was in compliance with all required debt covenant ratios.

In 2014, the BPU issued \$190.6 million of Utility System Refunding Revenue Bonds. The bond proceeds were used to refund bonds and to finance improvements for environmental upgrades to the Nearman power generation stations. The BPU recognized an \$18.4 million premium on the sale of the 2014 bonds. The aggregate savings in debt service between the refunded debt and the refunding debt was \$11.8 million and resulted in a net present value economic gain of \$9.7 million. The Series 2014 refunding bond bears an average interest rate at 4.85% and is payable over 9 years. The BPU recognized an \$7.0 million deferred loss as a result of the refunding. This deferred loss is presented as a deferred outflow of resources on the statement

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of net position. The Series 2014 bond construction funds bear an average interest rate at 4.70% and are payable over 30 years.

The debt service to maturity on the outstanding BPU revenue bonds as of December 31, 2014 is as follows:

	<u>Principal</u>	<u>Interest (including accrued)</u>
Bond year(s) ending December 31:		
2015	\$ 17,945,000	27,389,587
2016	19,340,000	24,972,006
2017	19,805,000	24,258,631
2018	20,580,000	23,483,656
2019	23,765,000	22,612,481
2020–2024	122,315,000	95,077,481
2025–2029	118,380,000	66,937,838
2030–2034	118,540,000	36,754,551
2035–2039	52,830,000	14,366,587
2040–2044	34,230,000	5,301,251
	<u>\$ 547,730,000</u>	<u>341,154,069</u>

The utility system revenue bond indebtedness requires special reserves and accounts as follows:

<u>Account</u>	<u>Authorized expenditure</u>
Debt service and reserve	Paying current principal and interest on bonds
Construction	Acquiring, constructing, and installing capital improvements
Improvement and emergency	Financing major renewals, repairs, and replacements, and extraordinary or unforeseen expenditures

The utility system revenue bond debt service and reserve account is held in escrow in a bank acting as trustee for the BPU. The utility system revenue bond indentures also provide for a bond reserve account to be held by the trustee for the future payments of principal and interest in the event that the net revenues of the utility system are less than or equal to 130% of the maximum annual debt service on the bonds. All amounts are reported on the accompanying statements of net position as restricted assets.

The current indentures also require the BPU to establish utility rates and collect fees sufficient to pay the operating, maintenance, and debt service costs of the utilities; to maintain the accounts listed above; and to provide net operating income, before depreciation and payment-in-lieu of taxes, of at least 120% of the maximum annual debt service due on the outstanding bonds. All of the BPU's utility plant facilities are pledged under the terms of the indentures.

Total indebtedness also includes government loans, which represent the amounts borrowed from Kansas Department of Health and Environment for the purpose of Water capital improvements to be repaid in

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installments over 20 years ending 2033. Governmental loans also include a \$5 million loan with the Unified Government of Wyandotte County and Kansas City, Kansas, for improvements to the radio tower system.

The debt service to maturity on the outstanding BPU government loans as of December 31, 2014 is as follows:

Year(s) ending December 31:	<u>Principal</u>	<u>Interest (including accreted)</u>
2015	\$ 2,033,714	899,162
2016	2,094,299	844,530
2017	2,160,611	783,757
2018	2,230,350	721,667
2019	2,304,844	657,434
2020–2024	12,704,055	2,196,559
2025–2029	6,483,034	679,347
2030–2034	2,437,955	126,616
	<u>\$ 32,448,862</u>	<u>6,909,072</u>

In May 2012, the BPU entered into a Kansas Public Water Supply loan fund agreement, which the amount is not to exceed \$12.3 million. As of December 31, 2014, the BPU has drawn approximately \$11.8 million of the \$12.3 million. The projects funded by this loan consist of a 4MG reservoir at the Nearman Water Treatment Plant and various waterline replacement projects. The 4MG reservoir at Nearman has been placed in service in 2014. In July 2014, the BPU entered into a Kansas Public Water Supply load fund agreement, for which the amount is not to exceed \$13.0 million. The projects to be funded by this loan consist of filter media and pump replacement at the Nearman Water Treatment Plant and replacement of deteriorated water lines throughout the distribution system.

BPU has pledged specific revenue streams to secure the repayment of certain outstanding debt issuances. The corresponding debt issuances are for utility system revenue bonds and the purpose of the debt is for utility improvements. The following table lists those revenues, the amount and term of pledge remaining, the current year principal and interest on the debt, the amount of pledged revenue recognized during the current fiscal year, and the approximate percentage of the revenue stream that has been committed:

<u>Type revenue pledged</u>	<u>Amount of pledge</u>	<u>Term of commitment</u>	<u>Percentage of revenue pledged</u>	<u>Principal and interest for the year ended 2014</u>	<u>Pledged revenue recognized for the year ended 2014</u>
Electric and water operating revenue	\$ 888,884,069	Through 2044	7.9%	\$ 24,804,869	29,765,843

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(7) Regulatory Assets and Deferred Inflows

The BPU is subject to the provisions of GASB Codification Section Re10, *Regulated Operations*, and has recorded assets and liabilities on its statements of net position resulting from the effects of the rate-making process, which would not be recorded under U.S. generally accepted accounting principles for nonregulated entities. Regulatory assets represent costs incurred that have been deferred because future recovery in customer rates is probable. Deferred inflows generally represent probable future reductions in revenue or refunds to customers. Management regularly assesses whether regulatory assets and deferred inflows are probable of future recovery or refund. If recovery or refund of regulatory assets or deferred inflows is not approved by the Board, which is authorized to approve rates charged to customers or is no longer deemed probable, these regulatory assets or deferred inflows are recognized in the current period results of operations. Additionally, these factors could result in an impairment of utility plant assets if the cost of the assets could not be expected to be recovered in customer rates. Regulatory assets as of December 31, 2014 and 2013 are as follows:

	Amortization ending	2014	2013
Regulatory assets:			
Miner benefits and mine reclamation costs	2016	\$ 1,072,638	1,608,957
Fuel and purchased power costs	2014	—	2,181,413
Total regulatory assets		\$ 1,072,638	3,790,370
Deferred Inflows:			
Recovery fuel purchased power	2015	\$ 5,129,895	—
Total deferred inflows		\$ 5,129,895	—

BPU has an energy adjustment rate rider (ERC). Estimated retail tariffs are set to recover estimated fuel costs such as coal, natural gas, and purchased power. The ERC allows differences between these estimates and actual fuel and purchased power costs to be deferred as a regulatory asset or a deferred inflow depending on the nature of the variance between estimated and actual costs incurred.

(8) Payment-in-Lieu of Taxes (PILOT) and Community Contributions

The BPU is exempt from federal and state income taxes and local property taxes because it is an administrative agency of the Unified Government. However, the BPU is required by a Charter Ordinance to pay a percentage of gross operating revenues to the Unified Government. The Charter Ordinance established a range of 5.0% – 15.0%. The payment-in-lieu of tax was established at 11.9% in 2014 and 10.9% in 2013, which amounted to \$31,291,744 and \$27,333,943, respectively. The PILOT is billed and collected by the BPU by a supplemental rate rider. Effective January 1, 2014, the Unified Government increased the PILOT to 11.9% of gross revenues.

In addition to these payments to the Unified Government, the BPU also contributes services to the Unified Government, such as street lighting, fire hydrant services, traffic signals, and collection of the Unified Government sewer and trash charges at no charge. These service contributions approximated \$16,623,000

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and \$16,978,000 or 5.9% and 6.5% of total operating revenue, for 2014 and 2013, respectively. Expenses associated with these service contributions are recorded in the relevant operating expense caption on the statements of revenues, expenses, and changes in net position.

(9) Commitments and Contingencies

(a) Power Purchase & Sales Agreements

In 1982, the BPU entered into a power agreement with the Kansas Municipal Energy Agency (KMEA). The agreement entitles KMEA to purchase 15.86% of the net available capacity of the BPU's Nearman power station. The power sales agreement with KMEA will terminate effective December 31, 2015 at the request of KMEA. The contracted 37.5 MW of electrical output to KMEA will be available for BPU's service territory. Total revenue from the power sales agreements for the years ended December 31, 2014 and 2013 was \$6,479,101 and \$7,636,363, respectively, and is included in other revenues in the statements of revenues, expenses, and changes in net position.

On November 1, 2006, BPU entered into an agreement with Tenaska Power Services Company (Tenaska) to both purchase and market excess wholesale energy for BPU. The BPU's wholesale purchases and sales through Tenaska for the years ended December 31, 2014 and 2013 are summarized as follows:

	<u>2014</u>	<u>2013</u>
Purchased power	\$ 1,227,840	3,854,756
Wholesale sales	56,480	441,100

On December 21, 2006, the BPU entered into a Renewable Energy Purchase Agreement with TradeWind Energy to receive 25% of the energy output of Phase 1 of the Smoky Hills Wind Farm. This contract is a 20-year fixed price contract for 25% of the output of 100.8 MW of turbines as well as the Renewable Energy Credits associated with the output. The wind farm, which was built approximately 25 miles west of Salina, Kansas in Lincoln and Ellsworth Counties, began commercial operation in January 2008. Total power purchased under this agreement was \$4,197,201 and \$3,994,229 in 2014 and 2013, respectively.

On November 3, 2010, the BPU entered into a agreement with Lawrence, Kansas based Bowersock Mills and Power Company to purchase 7 MW of hydroelectric power over the next 25 years, providing additional renewable energy resources to BPU's existing power generating mix. The agreement became fully operational in 2014. Total power purchased under this agreement was \$2,023,574 and \$1,919,495 in 2014 and 2013, respectively.

In December 2013, the BPU completed negotiations with OwnEnergy Inc., a developer of mid-sized wind projects, for the purchase of 25 megawatts of energy generated by wind turbines. The wind farm will be located south of Alexander, Kansas in Rush County. Construction began in December 2013, and will tie into the Southwest Power Pool (SPP) Midwest Energy transmission system. The contract between BPU and OwnEnergy Inc. is a 20-year renewable energy Purchase Power Agreement (PPA). It is anticipated that energy will be available to BPU in October 2015.

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The BPU has determined these purchase contracts to be excluded from the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as these are normal purchase contracts.

(b) *Coal Contracts*

BPU purchases coal for Nearman and Quindaro generating stations through contracts with Western Fuels Association (WFA) and affiliates. WFA, in turn, contracts with coal producers and railroads to meet its coal supply and delivery commitments to the BPU. BPU is required to pay all costs incurred by WFA in acquiring and delivering the coal as well as a management fee.

The delivery of coal to Nearman Station and Quindaro Station is covered by contracts between WFA and Union Pacific Railroad. This contract expires December 31, 2015. The delivery cost is established from a base price and is adjusted by indices set out in the contract.

Coal is purchased through contracts between WFA and the BPU, which continues through December 31, 2017. The purchase price is based on WFA's cost of acquiring and delivering coal. Contracted coal purchases for Nearman and Quindaro Stations are approximately \$35,000,000, \$28,000,000, and \$28,000,000 for 2015, 2016, and 2017, respectively. Any additional coal required will be bought through spot market.

The BPU has determined these coal contracts to be excluded from the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as these are normal purchase contracts.

(c) *Employees' Retirement Pension Plan*

Plan Description

The Employees' Retirement Pension Plan (the Plan) of the BPU is a single-employer, contributory, defined-benefit pension plan. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the Board of Pension Trustees of the Plan. The Plan is governed by state statutes, which, in essence, provide for the establishment of a Board of Pension Trustees and provides authorization for the Plan to take control and custody of all assets, property, and funds presently held, controlled, and in the possession of the Plan's Board of Pension Trustees. The BPU's payroll for the years ended December 31, 2014 and 2013 was approximately \$50,128,000 and \$50,792,000, respectively, of which approximately \$49,629,000 and \$50,297,000, respectively, was payroll of plan participants.

BPU employees who retire at or after age 55 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.2% of their average compensation multiplied by the years of credited service through December 31, 2003 and 1.8% of their average compensation multiplied by the years of credited service after December 31, 2003 (Tier 1). Average annual compensation is defined as actual compensation paid, including overtime, but excluding workers' compensation, severance pay, and bonuses, averaged over the three 12-month periods (not necessarily consecutive periods) out of the last 120 months that produce the highest average. In order to maintain the long-term funding of the plan, the Trustees have amended the Plan to make the annual cost of living adjustment (COLA) discretionary until the Plan's funded status has been restored to 100%. This change became effective

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

January 1, 2014. Prior to this amendment, on January 1, each retiree received 3.0% benefit increase or COLA. The Plan also provides death benefits. It is a governmental plan and, therefore, not subject to the Employee Retirement Income Security Act of 1974. Because the Plan has established a Board of Pension Trustees in accordance with Kansas state statutes, neither the BPU nor the Unified Government act in a fiduciary or trustee capacity for the Plan, and as such, the Plan's financial activities are not reported in the BPU's financial statements.

The Pension Board adopted a new plan design (Tier 2) for members hired on or after January 1, 2010. The new plan design is a career average defined-benefit plan. As of January 1, 2013, there were 132 members in Tier 2. For Tier 2 employees, normal retirement is defined as age 65 with completion of 5 years of creditable service, or age 60 with 30 years of creditable service. The pension is equal to 1.5% of the sum of the member's pensionable wages during each year. Before attaining age 65 with 5 years of creditable service or age 60 with 30 years of creditable service, a member can receive an early retirement benefit at age 55 with 10 years of creditable service.

Funding Policy

Funding is provided by contributions from plan members and the BPU based on rates established by the Board of Pension Trustees.

Total contributions were \$8,436,844 for the year ended December 31, 2014. Of the total contributions in 2014, the BPU contributed \$4,218,422 (8.5% of current covered payroll in 2014) and the plan participants contributed \$4,218,422 (8.5% of current covered payroll for 2014). The annual pension cost is net of employee contributions.

There were 773 retirees and beneficiaries currently receiving benefits as of January 1, 2014. The Plan uses the accrual basis of accounting. Investments are reported at fair value. Securities traded on a national or international exchange, which comprise a substantial majority of total investments, are valued at the last reported sales price at current exchange rates.

	Three-year trend information		
	Annual pension cost	Percentage of annual pension cost contributed	Net pension obligation
Fiscal year ended:			
December 31, 2012	\$ 6,795,326	63.66	\$ 9,579,524
December 31, 2013	8,443,207	50.63	13,748,259
December 31, 2014	7,796,452	54.11	17,326,288

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

The information presented in the required supplementary information was determined as part of the actuarial valuations as of the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2014
Actuarial cost method	Entry Age Normal
Tier 1:	
Amortization method	Level percent of pay (closed)
Remaining amortization period	25 years
Tier 2:	
Amortization method	Level percent of pay (open)
Amortization period	30 years
Asset valuation method	Asset smoothing method
Actuarial assumptions:	
Investment rate of return	8.00%
Inflation rate assumption	3.10

Projected salary increase based on age as follows:

<u>Age</u>	<u>Salary scale</u>
25	11.0%
30	8.5
35	6.8
40	6.2
45	5.7
50	5.2
55	4.7

The annual pension cost and net pension obligation as of December 31, 2014, 2013, and 2012 are as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual required contribution	\$ 7,563,033	8,251,995	6,643,775
Interest on net pension obligation	1,099,859	766,362	568,816
Adjustment to annual required contribution	(866,441)	(575,150)	(417,265)
Annual pension cost	7,796,451	8,443,207	6,795,326
Contributions made	4,218,422	4,274,472	4,326,004
Increase in net pension obligation	(3,578,029)	(4,168,735)	(2,469,322)
Net pension obligation, beginning of year	(13,748,259)	(9,579,524)	(7,110,202)
Net pension obligation, end of year	\$ (17,326,288)	(13,748,259)	(9,579,524)

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Notes to Financial Statements

December 31, 2014 and 2013

Funding Status and Funding Progress

The funding progress schedule as of January 1, 2014, 2013, and 2012 is as follows (dollars in millions):

Actuarial valuation date, January 1	Actuarial asset value	Actuarial accrued liability (AAL)	Funded ratio	Unfunded (overfunded) AAL (UAAL)	Covered payroll	UAAL as a percentage of covered payroll
2012	\$ 442.3	496.7	89.0	54.4	50.3	108.2
2013	441.1	516.6	85.4	75.5	51.6	146.3
2014	447.4	515.4	86.8	68.0	50.6	134.4

Actuarial Methods and Assumptions

An asset-smoothing method is used in the actuarial valuation process. Gains/losses on the market value of assets are recognized equally over an eight-year period. Gains and losses are calculated based on the excess (shortfall) of the actual market value of assets compared to the expected value of assets had the actuarial assumed rate been met exactly.

The Plan is funded through equal BPU and member contributions for future service benefits.

The balance of the actuarial present value of service retirement pensions, plus death benefits and termination benefits to the level of employee contributions, plus an allowance for expenses is funded through future BPU and member contributions related to annual compensation. The actuarial contribution rate for these benefits is funded by the entry-age method.

In addition to depending upon the actuarial method used, actuarial cost estimates depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, and rates of termination from employment.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(d) Postretirement Healthcare Benefits

Plan Description

The BPU provides certain postemployment healthcare and life insurance benefits to eligible retirees and their dependents in accordance with provisions established by the BPU's Board. The plan is a single-employer defined-benefit healthcare plan administered by the BPU. The plan does not issue separate financial statements. Employees are given a 90-day window to retire with medical coverage at ages 55 and above with 7 consecutive years of service. The retiree plan is a comprehensive major medical plan with a \$100 deductible per individual or \$200 per family. For individuals, the plan pays 80% of the next \$12,500 of allowable charges and 100% thereafter for the remainder of that calendar year. For families, the plan pays 80% of the next \$25,000 of allowable charges and 100% thereafter for the remainder of that calendar year. The plan has a lifetime maximum of \$750,000. Benefits cease

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

at the first of the month that the retired employee attains age 65 or death. Spouse benefits end at the first of the month that the retired employee attains age 65, the end of the month of the retiree's death, or on the date of the spouse's death. Retirees are not required to contribute toward the cost of the postretirement benefits. There were 324 participants eligible to receive benefits under this plan as of December 31, 2014.

Funding Policy

The contribution requirements of plan members and the BPU are established and can be amended by the BPU's Board. Contributions are made to the plan based on a pay-as-you-go basis. For the years ended December 31, 2014 and 2013, the BPU paid \$3,668,346 and \$3,850,506, respectively, for retirees.

The BPU's annual Other Postemployment Benefits (OPEB) expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The BPU's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 – 2014 are as follows:

	<u>Annual OPEB expense</u>	<u>Annual OPEB contributed</u>	<u>Net OPEB</u>
Fiscal year ended:			
December 31, 2012	\$ 4,382,240	87	\$ 3,303,724
December 31, 2013	4,266,768	90	3,719,986
December 31, 2014	4,217,197	87	4,268,837

The following table shows the components of BPU's annual OPEB expense for the year, the amount actually contributed to the plan, and changes in the BPU's net OPEB obligation:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Normal costs	\$ 1,726,700	1,524,092	1,782,996
Amortization payment	2,545,951	2,791,924	2,636,630
Annual required contribution (ARC)	4,272,651	4,316,016	4,419,626
Amortization of net OPEB obligation	(232,153)	(206,175)	(156,514)
Interest on net OPEB obligation	176,699	156,927	119,128
Total OPEB expense	4,217,197	4,266,768	4,382,240

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Notes to Financial Statements

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual employer contribution	\$ 3,668,346	3,850,506	3,819,000
Change in OPEB obligation	548,851	416,262	563,240
Net OPEB obligation – beginning of year	<u>3,719,986</u>	<u>3,303,724</u>	<u>2,740,484</u>
Net OPEB obligation – end of year	<u>\$ 4,268,837</u>	<u>3,719,986</u>	<u>3,303,724</u>

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Actuarial accrued liability (AAL)	\$ 47,767,989	40,795,935
Actuarial value of plan assets	—	—
Unfunded actuarial accrued liability (UAAL)	47,767,989	40,795,935
Funded ratio	—%	—%
Covered payroll	\$ 49,629,000	50,297,000
UAAL as a percentage of covered payroll	96.3%	81.1%

Actuarial Methods and Assumptions

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan member to that point. The actuarial methods used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets, consistent with the long-term perspective of the calculations. The valuation of the liabilities is based on a closed group. In the actuarial valuation as of December 31, 2014, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.75% discount rate, which includes an annual healthcare cost trend of 7% in 2014, reduced by decrements to an ultimate rate of 5% in 2019. The projected salary increase is 2.5%. The unfunded actuarial accrued liability is being amortized over 20 years as a level percentage of payrolls.

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

(e) Risk Management

The BPU is exposed to various risks of loss related to tort claims; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The BPU is self-insured for workers' compensation, healthcare, certain general liability claims, and a portion of the automobile and small vehicle fleet. The BPU is responsible for the first \$750,000 of a workers' compensation claim per employee/per occurrence and workers' compensation claims greater than \$750,000 and up to \$35,000,000 per employee/per occurrence are fully insured. The BPU is essentially 100% self-insured for healthcare claims and is responsible for the first \$500,000 of general liability and automobile insurance claims. In addition, any general liability or automobile claims greater than \$35,000,000 are the responsibility of BPU. Settlements did not exceed insurance coverage for the past three years. At December 31, 2014 and 2013, the BPU has established a liability of \$2,697,000 and \$2,668,000, respectively, which is based on estimates of the amounts needed to pay prior and current year claims. The liability is based on the requirement that a liability for claims incurred prior to the statement of net position date be recorded if information related to such claims is available prior to the issuance of the financial statements and the amount of loss can be reasonably estimated. The total amount of claims and judgments is expected to become due within one year. Changes in the claims liability for 2014 and 2013 are as follows:

	2014	2013
Beginning accruals	\$ 2,668,000	2,858,000
Additional accruals	9,650,000	10,779,000
Charges for claim payments	(9,621,000)	(10,969,000)
Ending accruals	\$ 2,697,000	2,668,000

(f) Environmental Compliance

The BPU is subject to substantial regulation of air emissions and control equipment under federal, state, and county environmental laws and regulations. Nationwide, utilities with coal-fired generating units have been under heavy scrutiny and enforcement by the U.S. Environmental Protection Agency (EPA) and Department of Justice for matters related to permitting of modifications to those coal-fired units. This is referred to as "new source review permitting."

In 2007, the BPU received from the EPA a Clean Air Act Section 114 information request seeking information about the types of projects that have been the subject of new source review permitting investigations. On November 25, 2008, the BPU received a Notice of Violation of certain Clean Air Act regulations with respect to new source review permitting matters. On December 19, 2008, the BPU received a supplemental Clean Air Act Section 114 information request to the 2007 information request, and the BPU has responded to the supplemental information request. The BPU has evaluated the EPA findings and has had preliminary discussions with the EPA regarding the Notice of Violation. At this time, the EPA has not filed a lawsuit. Management does not know the impact that these alleged violations of the Clean Air Act regulations will have on the BPU; however, the BPU could be subject to fines and/or penalties and the amounts of any such fines and/or penalties could be material. The Notice of Violation states such fines and/or penalties could be as much as \$25,000 to \$32,500 per day

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

(depending upon when the violation occurred) commencing from date of the violation. The EPA alleges that such Clean Air Act violations at the Nearman Station commenced in 1994 and at the Quindaro Station in 2001. The BPU could also be required to make material capital expenditures for air pollution control equipment as a result of resolution of the alleged violations which could cost hundreds of millions of dollars. The pollution control equipment generally coincides with the equipment required for MATS compliance. The EPA has issued notices to many utilities alleging violation of new source review permitting and the Department of Justice has filed many lawsuits. To date, the settlements of those notices have included penalties much less than \$25,000 to \$32,500 per day but have included requirements for significant capital expenditures for air pollution control equipment. BPU is not presently able to evaluate what, if any, liability might be imposed and has not accrued anything for this possible obligation.

On July 16, 2012, the BPU and the Unified Government received from the Kansas Chapter of the Sierra Club a notice of intent to sue the BPU, under the Clean Air Act citizen suit provisions, for alleged violations of opacity emissions limits at the Nearman Station and Quindaro Station. The Sierra Club and BPU signed a consent decree approved by the U.S. District Court on December 5, 2013. As part of this agreement, the Quindaro Station will no longer combust coal by April 16, 2015 (MATS compliance date) and the Nearman Station will install and operate pollution control equipment by June 1, 2017.

(g) Other Legal Matters

In the normal course of business, the BPU is subject to various lawsuits, actions, proceedings, claims, and other matters asserted under laws and regulations. Management believes the amounts provided in the financial statements, as prescribed by U.S. generally accepted accounting principles, are adequate in light of the probable and estimable contingencies. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various legal proceedings, claims, and other matters, and to comply with applicable laws and regulations, will not exceed the amounts reflected in the BPU's financial statements. As such, costs, if any, that may be incurred in excess of those amounts provided as of December 31, 2014 cannot be reasonably determined.

BOARD OF PUBLIC UTILITIES

Notes to Financial Statements

December 31, 2014 and 2013

(10) Principal Customers

Electric and water charges to the BPU's five largest retail customers and four largest wholesale customers expressed as a percentage of total operating revenues for the years ended December 31, 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Principal retail customers:		
General Motors Corporation	4.0%	3.5%
Griffin Wheel	2.4	2.2
Owens Corning	2.1	2.1
Waterone of Johnson County	2.0	1.9
University of Kansas Hospital	1.6	1.6
Total principal retail customers	<u>12.1</u>	<u>11.3</u>
Principal wholesale customers:		
Southwest Power Pool	3.6	2.1
Dogwood	3.0	0.8
Kansas Municipal Energy Authority	2.0	2.3
City of Columbia, Missouri	—	0.7
Total principal wholesale customers	<u>8.6</u>	<u>5.9</u>
Principal customers	<u>20.7%</u>	<u>17.2%</u>

BOARD OF PUBLIC UTILITIES
 Required Supplementary Information
 Schedule of Funding Progress – Pension
 December 31, 2014
 (Dollars in millions)

(Unaudited – See accompanying independent auditors' report)

Actuarial valuation date, January 1	Actuarial value of assets	Actuarial accrued liability (AAL)	Funded ratio	Unfunded (overfunded) AAL (UAAL)	Covered payroll	UAAL as a percentage of covered payroll
2012	442.3	496.7	89.0	54.4	50.3	108.2
2013	441.1	516.6	85.4	75.5	51.6	146.3
2014	447.4	515.4	86.8	68.0	50.6	134.4

The information presented in the required supplementary information was determined as part of the actuarial valuations as of the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent of pay
Remaining amortization period	Tier 1 – 25 years (closed), Tier 2 – 30 years (open)
Asset valuation method	Asset Smoothing Method

Actuarial assumptions:	
Investment rate of return	8.0%
Inflation rate assumption	3.10

Projected salary increase based on age as follows:

Age (in years)	Salary scale
25	11.0%
30	8.5
35	6.8
40	6.2
45	5.7
50	5.2
55	4.7

See accompanying independent auditors' report.

BOARD OF PUBLIC UTILITIES
 Required Supplementary Information
 Schedule of Funding Progress – Postretirement
 December 31, 2014
 (Dollars in millions)
 (Unaudited – See accompanying independent auditors' report)

Actuarial valuation date, January 1	Actuarial value of assets	Actuarial accrued liability (AAL)	Funded ratio	Unfunded AAL	Covered payroll	UAAL as a percentage of covered payroll
2013	—	44.7	—	44.7	50.8	88.0
2014	—	40.8	—	40.8	50.3	81.1
2015	—	47.8	—	47.8	49.6	96.3

The actuarial assumptions included a 4.75% discount rate, which includes an annual healthcare cost trend of 7.5% initially, reduced by decrements to an ultimate rate of 5.0% in 2019. The projected salary increase is 2.5%. The unfunded actuarial accrued liability is being amortized over 20 years as a level percent of payroll.

See accompanying independent auditors' report.

BOARD OF PUBLIC UTILITIES

Combining Statements of Net Position

December 31, 2014 and 2013

Assets and Deferred Outflows of Resources	Electric		Water		Total utility	
	2014	2013	2014	2013	2014	2013
Noncurrent assets:						
Capital assets:						
Property, plant, and equipment	\$ 1,125,697,575	1,126,980,518	354,977,779	340,435,252	1,480,675,354	1,467,415,770
Less accumulated depreciation	(597,988,003)	(595,213,997)	(101,487,738)	(100,494,203)	(699,475,741)	(695,708,200)
Plant in service, net	527,709,572	531,766,521	253,490,041	239,941,049	781,199,613	771,707,570
Construction work in progress	76,246,553	50,240,251	9,440,083	18,515,085	85,686,636	68,755,336
Capital assets, net	603,956,125	582,006,772	262,930,124	258,456,134	866,886,249	840,462,906
Restricted assets:						
Cash and cash equivalents	70,315,979	16,561,280	150,000	150,000	70,465,979	16,711,280
Investments	40,246,106	10,247,347	—	—	40,246,106	10,247,347
Total restricted assets	110,562,085	26,808,627	150,000	150,000	110,712,085	26,958,627
Other assets	63,630	978,720	9,507	312,812	73,137	1,291,532
System development costs	2,113,408	754,197	117,072	129,545	2,230,480	883,742
Regulatory assets	1,072,638	1,608,957	—	—	1,072,638	1,608,957
Total noncurrent assets	717,767,886	612,157,273	263,206,703	259,048,491	980,974,589	871,205,764
Current assets:						
Cash and cash equivalents	29,271,051	14,607,075	14,103,030	13,133,205	43,374,081	27,740,280
Cash and cash equivalents – restricted	6,213,715	6,411,144	1,386,374	1,336,858	7,600,089	7,748,002
Investments – restricted	17,896,763	12,128,522	3,267,969	3,253,063	21,164,732	15,381,585
Accounts receivable – customers and other	25,335,723	23,138,947	3,879,957	4,046,127	29,215,680	27,185,074
Accounts receivable – unbilled	9,098,271	8,872,935	1,962,841	1,929,064	11,061,112	10,801,999
Allowance for doubtful accounts	(1,247,110)	(998,890)	(209,295)	(194,714)	(1,456,405)	(1,193,604)
Inventories	30,122,980	29,424,737	909,403	1,155,474	31,032,383	30,580,211
Regulatory assets	—	2,181,413	—	—	—	2,181,413
Prepayments and other current assets	2,463,280	2,666,306	31,361	22,357	2,494,641	2,688,663
Total current assets	119,154,673	98,432,189	25,331,640	24,681,434	144,486,313	123,113,623
Total assets	836,922,559	710,589,462	288,538,343	283,729,925	1,125,460,902	994,319,387
Deferred outflows of resources:						
Deferred loss on bond refunding	10,393,867	5,634,349	2,985,902	1,377,842	13,379,769	7,012,191
Total deferred outflow of resources	10,393,867	5,634,349	2,985,902	1,377,842	13,379,769	7,012,191
Total assets and deferred outflows of resources	\$ 847,316,426	716,223,811	291,524,245	285,107,767	1,138,840,671	1,001,331,578

BOARD OF PUBLIC UTILITIES
Combining Statements of Net Position
December 31, 2014 and 2013

Liabilities, Deferred Inflows of Resources, and Net Position	Electric		Water		Total utility	
	2014	2013	2014	2013	2014	2013
Net position:						
Net investment in capital assets	\$ 208,662,877	212,467,394	138,683,284	131,732,938	347,346,161	344,200,332
Restricted – debt service	21,908,971	41,965,264	4,192,877	4,196,876	26,101,848	46,162,140
Unrestricted	66,013,429	40,639,115	(14,690,023)	(14,720,361)	51,323,406	25,918,754
Total net position	<u>296,585,277</u>	<u>295,071,773</u>	<u>128,186,138</u>	<u>121,209,453</u>	<u>424,771,415</u>	<u>416,281,226</u>
Liabilities:						
Noncurrent liabilities:						
Long-term debt – revenue bonds	486,103,648	379,738,961	90,794,114	94,354,295	576,897,762	474,093,256
Government loans	3,802,438	—	26,612,710	25,897,005	30,415,148	25,897,005
Capital lease	649,497	489,950	204,629	200,120	854,126	690,070
Total long-term debt and capital lease obligations	<u>490,555,583</u>	<u>380,228,911</u>	<u>117,611,453</u>	<u>120,451,420</u>	<u>608,167,036</u>	<u>500,680,331</u>
Postretirement benefit obligation	3,275,062	2,841,450	993,775	878,536	4,268,837	3,719,986
Reserve for compensated absences	3,211,170	4,201,230	479,830	627,770	3,691,000	4,829,000
Pension obligation	15,077,659	11,964,774	2,248,629	1,783,485	17,326,288	13,748,259
Noncurrent liabilities	<u>512,119,474</u>	<u>399,236,365</u>	<u>121,333,687</u>	<u>123,741,211</u>	<u>633,453,161</u>	<u>522,977,576</u>
Current liabilities:						
Current maturities of revenue bonds	13,257,401	14,540,464	4,687,599	4,489,536	17,945,000	19,030,000
Current maturities of government loans	236,550	—	1,797,164	1,688,935	2,033,714	1,688,935
Current maturities of capital lease obligations	449,469	228,440	150,624	93,306	600,093	321,746
Accrued interest	8,150,387	5,937,770	1,473,519	1,524,387	9,623,906	7,462,157
Customer deposits	3,182,783	3,069,026	614,059	543,046	3,796,842	3,612,072
Accounts payable	26,276,513	16,219,425	2,652,707	1,816,066	28,929,220	18,035,491
Payroll and payroll taxes	1,540,904	1,418,283	1,025,742	799,474	2,566,646	2,217,757
Accrued claims payable	3,961,343	4,105,431	297,545	319,733	4,258,888	4,425,164
Other accrued liabilities	3,246,229	3,285,796	56,119	63,330	3,302,348	3,349,126
Payment-in-lieu of taxes	2,054,028	1,612,630	375,515	317,698	2,429,543	1,930,328
Interdepartmental balances	(28,873,827)	(28,501,592)	28,873,827	28,501,592	—	—
Total current liabilities	<u>33,481,780</u>	<u>21,915,673</u>	<u>42,004,420</u>	<u>40,157,103</u>	<u>75,486,200</u>	<u>62,072,776</u>
Total liabilities	<u>545,601,254</u>	<u>421,152,038</u>	<u>163,338,107</u>	<u>163,898,314</u>	<u>708,939,361</u>	<u>585,050,352</u>
Deferred inflows of resources:						
Recovery fuel purchased power	5,129,895	—	—	—	5,129,895	—
Total deferred inflows of resources	<u>5,129,895</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>5,129,895</u>	<u>—</u>
Total liabilities and net position	<u>\$ 847,316,426</u>	<u>716,223,811</u>	<u>291,524,245</u>	<u>285,107,767</u>	<u>1,138,840,671</u>	<u>1,001,331,578</u>

See accompanying independent auditors' report.

BOARD OF PUBLIC UTILITIES

Combining Schedule of Revenues, Expenses, and Changes in Net Position
Years ended December 31, 2014 and 2013

	Electric		Water		Total utility	
	2014	2013	2014	2013	2014	2013
Operating revenues:						
Residential	\$ 66,175,299	62,720,564	23,641,618	23,934,081	89,816,917	86,654,645
Commercial	93,289,110	88,739,826	11,017,345	10,909,183	104,306,455	99,649,009
Industrial	42,828,672	39,454,295	5,014,299	4,723,807	47,842,971	44,178,102
Other	39,370,634	24,627,001	4,041,559	3,678,762	43,412,193	28,305,763
Energy rate component recovery	(5,129,895)	1,296,801	—	—	(5,129,895)	1,296,801
Payment-in-lieu of taxes	26,156,059	22,694,506	5,135,685	4,639,437	31,291,744	27,333,943
Total operating revenues	262,689,879	239,532,993	48,850,506	47,885,270	311,540,385	287,418,263
Operating expenses:						
Fuel	68,256,346	53,191,065	—	—	68,256,346	53,191,065
Purchased power	25,244,462	21,115,446	—	—	25,244,462	21,115,446
Production	40,961,044	43,597,660	5,189,517	4,874,710	46,150,561	48,472,370
Transmission and distribution	29,097,373	30,040,368	12,767,928	12,296,398	41,865,301	42,336,766
General and administrative	26,796,283	24,415,568	7,382,775	7,332,238	34,179,058	31,747,806
Depreciation and amortization	25,972,570	26,746,360	6,967,070	6,867,295	32,939,640	33,613,655
Total operating expenses	216,328,078	199,106,467	32,307,290	31,370,641	248,635,368	230,477,108
Operating income	46,361,801	40,426,526	16,543,216	16,514,629	62,905,017	56,941,155
Nonoperating income (expense):						
Interest expense	(17,809,806)	(15,570,236)	(4,608,551)	(4,292,561)	(22,418,357)	(19,862,797)
Payment-in-lieu of taxes	(26,156,059)	(22,694,506)	(5,135,685)	(4,639,437)	(31,291,744)	(27,333,943)
Other	72,247	339,355	69,513	13,948	141,760	353,303
Other nonoperating expense	(954,679)	—	(98,530)	—	(1,053,209)	—
Total nonoperating expense, net	(44,848,297)	(37,925,387)	(9,773,253)	(8,918,050)	(54,621,550)	(46,843,437)
Income before contributions and transfers	1,513,504	2,501,139	6,769,963	7,596,579	8,283,467	10,097,718
Contributions and transfers:						
Contributions from developers and others	—	—	206,722	234,557	206,722	234,557
Change in net position	1,513,504	2,501,139	6,976,685	7,831,136	8,490,189	10,332,275
Net position, beginning of year	295,071,773	292,570,634	121,209,453	113,378,317	416,281,226	405,948,951
Net position, end of year	\$ 296,585,277	295,071,773	128,186,138	121,209,453	424,771,415	416,281,226

See accompanying independent auditors' report.



KPMG LLP
Suite 1000
1000 Walnut Street
Kansas City, MO 64106-2162

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Board of Directors
Board of Public Utilities:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Board of Public Utilities of Kansas City, Kansas (the BPU), which comprise the statements of net position as of December 31, 2014 and 2013, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the BPU's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the BPU's internal control. Accordingly, we do not express an opinion on the effectiveness of the BPU's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the BPU's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results

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of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the BPU's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the BPU's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Kansas City, Missouri
May 21, 2015

STATISTICAL SECTION

(Unaudited)

Financial Trends
Revenue Capacity
Debt Capacity
Demographic and Economic Information
Operating Information





Statistical Section (Unaudited)

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the utility's overall financial health.

<i>Contents</i>	<i>Page</i>
<u>Financial Trends</u>	67
These schedules contain trend information to help the reader understand how the utility's financial performance and well-being have changed over time.	
<u>Revenue Capacity</u>	69
These schedules contain information to help the reader assess the utility's most significant local revenue source.	
<u>Debt Capacity</u>	71
These schedules present information to help the reader assess the affordability of the utility's current levels of outstanding debt and the utility's ability to issue additional debt in the future.	
<u>Demographic and Economic Information</u>	77
These schedules offer demographic and economic indicators to help the reader understand how the information in the utility's financial activities take place.	
<u>Operating Information</u>	83
These schedules contain service and infrastructure data to help the readers understand how the information in the utility's financial report relates to the services the utility provides and the activities it performs.	



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Financial Trends





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Net Position By Component
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Position invested in Capital Assets, net of related Debt:										
Capital assets, net of depreciation	\$ 662,002,748	\$ 691,579,477	\$ 693,985,594	\$ 694,016,598	\$ 689,463,474	\$ 678,544,095	\$ 706,397,621	\$ 823,905,500	\$ 840,462,907	\$ 866,886,249
Bonds and notes payable:										
Principal, long term	(334,704,196)	(324,102,885)	(314,495,795)	(308,110,760)	(321,601,392)	(311,697,479)	(333,859,746)	(445,759,661)	(448,634,819)	(467,692,007)
Government Loans	(15,930,490)	(19,666,793)	(22,713,285)	(21,693,505)	(20,657,540)	(19,645,748)	(18,701,155)	(17,633,390)	(25,897,005)	(30,415,148)
Capital Leases	(4,869,869)	(1,637,046)	(187,671)	(650,043)	(367,952)	(74,989)	(74,989)	-	(690,070)	(854,126)
Principal, current	(10,825,592)	(10,932,986)	(9,958,765)	(6,736,709)	(7,951,515)	(13,935,000)	(15,680,000)	(16,970,000)	(19,030,000)	(18,230,000)
Government Loans, current	(1,145,592)	(804,415)	(976,882)	(1,014,400)	(1,053,360)	(1,071,373)	(1,112,511)	(1,155,230)	(1,688,935)	(1,748,714)
Capital Leases, current	(3,095,489)	(1,704,964)	(1,550,395)	(368,379)	(282,091)	(292,964)	(74,989)	-	(321,746)	(600,093)
Bond proceeds for construction (unspent) (B)	60,732,997	19,609,783	-	-	-	-	-	-	-	-
Net Position invested in Capital Assets, net of Debt:	\$ 352,164,517	\$ 352,320,171	\$ 344,102,801	\$ 355,442,301	\$ 337,549,623	\$ 331,826,542	\$ 336,969,220	\$ 342,387,219	\$ 344,200,332	\$ 347,346,161
Restricted Net Position (A)										
Bond covenant requirements	\$ 78,532,304	\$ 37,190,172	\$ 4,546,604	\$ 15,508,357	\$ 55,170,663	\$ 50,980,822	\$ 97,519,802	\$ 66,873,587	\$ 46,162,140	\$ 135,307,603
Bond proceeds designated for project construction (B)	-	-	-	-	37,936,865	34,560,938	78,919,255	28,148,696	25,438,437	109,205,755
Funds segregated under City Ordinance due to	(60,732,997)	(19,609,783)	-	-	(37,936,865)	(34,560,938)	(78,919,255)	(28,148,696)	(25,438,437)	(109,205,755)
Liability for customer deposits	2,894,830	3,219,427	3,442,049	3,446,669	3,270,411	3,345,722	3,388,815	3,579,724	3,612,072	3,796,842
	(2,894,830)	(3,219,427)	(3,442,049)	(3,446,669)	(3,270,411)	(3,345,722)	(3,388,815)	(3,579,724)	(3,612,072)	(3,796,842)
Total Restricted Net Position	\$ 17,799,307	\$ 17,580,389	\$ 4,546,604	\$ 15,508,357	\$ 55,170,663	\$ 50,980,822	\$ 97,519,802	\$ 66,873,587	\$ 46,162,140	\$ 135,307,603
Unrestricted Net Position										
Other designated funds	-	-	-	-	-	-	-	-	-	-
Reserve funds	-	-	-	-	-	-	-	-	-	-
Funds held for future improvements	-	-	-	-	-	-	-	-	-	-
Project construction accounts	-	-	-	-	-	-	-	-	-	-
Unrestricted - Other	(335,638)	13,831,492	61,896,774	43,426,745	(2,784,373)	23,941,008	(27,779,967)	(3,311,835)	25,918,754	(57,882,349)
Total Unrestricted Net Position	\$ (335,638)	\$ 13,831,492	\$ 61,896,774	\$ 43,426,745	\$ (2,784,373)	\$ 23,941,008	\$ (27,779,967)	\$ (3,311,835)	\$ 25,918,754	\$ (57,882,349)
Total Net Position	\$ 369,628,186	\$ 366,151,663	\$ 405,999,575	\$ 398,869,046	\$ 384,765,250	\$ 405,767,550	\$ 409,189,253	\$ 438,675,384	\$ 469,619,086	\$ 489,463,814

Footnote A

Per Question 95 of "Guide to Implementation of GASB Statement 34 on Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments" (Implementation Guide), restricted Net Position should be reported when constraints placed on net asset use are either:

- Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments.
- Imposed by law through constitutional provisions or enabling legislation.

The basic concept is that restrictions are not unilaterally established by the reporting government itself, and cannot be removed without the consent of those imposing the restrictions or through formal due process.

Footnote B

Per the Implementation Guide, if there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds should not be included in the "calculation of invested in capital assets, net of debt". . . . The unspent portion of the debt would be included in the calculation of Net Position restricted for capital projects.

Combined Operating Statements
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Operating Revenues										
Residential	\$ 61,506,345	\$ 71,900,832	\$ 69,103,742	\$ 69,179,353	\$ 67,889,344	\$ 72,383,530	\$ 79,631,157	\$ 86,729,958	\$ 86,654,645	\$ 89,816,917
Commercial	63,594,092	79,590,974	75,088,103	77,719,820	76,989,419	74,233,899	88,910,745	101,859,200	99,649,009	104,306,455
Industrial	44,366,530	55,822,224	44,340,186	46,366,895	45,520,902	44,277,063	43,860,628	45,902,344	44,178,102	47,842,971
Other	36,153,183	33,221,762	40,250,336	45,392,688	32,001,538	33,932,880	31,057,374	28,121,275	28,305,763	43,412,193
Deferred Energy Rate Component	-	-	-	-	(12,332,254)	12,332,254	-	(1,296,801)	1,296,801	(5,129,895)
Payment-in-lieu of taxes	16,325,334	18,374,439	17,230,192	17,562,272	21,540,269	27,831,160	28,303,139	28,052,962	27,333,943	31,291,744
Total Operating Revenues	221,945,484	258,910,231	246,012,559	256,221,028	231,609,218	264,990,786	271,763,043	289,368,938	287,418,263	311,540,385
Operating Expenses										
Production	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Transmission & Distribution	92,375,693	118,999,005	108,022,193	124,590,074	116,062,263	104,447,219	121,079,793	133,651,887	122,778,881	139,651,369
General and Administrative	29,926,086	31,680,256	36,188,822	34,655,585	34,548,626	37,287,338	41,157,088	41,157,296	42,336,766	41,865,301
Depreciation & Amortization	40,942,490	31,056,425	36,197,159	30,965,312	34,518,980	29,900,838	30,376,612	29,832,976	31,747,806	34,179,058
Purchased Power Amortization	28,545,254	30,550,474	31,703,397	31,291,634	31,986,166	31,705,944	32,380,345	32,818,565	33,613,655	32,939,640
Total Operating Expense	191,789,523	212,286,160	212,111,571	221,502,605	217,116,035	203,341,339	224,993,838	237,460,724	230,477,108	248,635,368
Operating Income	30,155,961	46,624,071	33,900,988	34,718,423	14,493,183	61,649,447	46,769,205	51,908,214	56,941,155	62,905,017
Interest Income/(Expense)	(19,965,452)	(15,549,762)	(15,663,027)	(14,791,096)	(17,604,368)	(17,306,717)	(18,564,432)	(19,288,063)	(19,509,494)	(23,329,806)
Payment-in-lieu of taxes	(16,325,334)	(18,374,439)	(17,230,192)	(17,562,272)	(21,540,269)	(27,831,160)	(28,303,139)	(28,052,962)	(27,333,943)	(31,291,744)
Nonoperating Income/(Expense)	(36,290,786)	(33,924,201)	(32,893,219)	(32,353,368)	(39,144,637)	(45,137,877)	(46,867,571)	(47,341,025)	(46,843,437)	(54,621,550)
Income/Loss	(6,134,825)	12,699,870	1,007,769	2,365,055	(24,651,454)	16,511,570	(98,366)	4,567,189	10,097,718	8,283,467
Contributions	1,281,668	1,403,996	880,873	1,466,171	209,965	300,888	59,048	130,878	234,557	206,722
Change in Net Position	\$ (4,853,157)	\$ 14,103,866	\$ 1,888,642	\$ 3,831,226	\$ (24,441,489)	\$ 16,812,458	\$ (39,318)	\$ 4,698,067	\$ 10,332,275	\$ 8,490,189

Footnotes:

- (1) Includes fuel, purchased power and production.
- (2) Purchased power costs amortization added beginning in 2002.
- (3) Includes other non operating income.
- (4) 2005 - Recognized Loss on Disposal of Assets.

Revenue Capacity





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ELECTRIC UTILITY SYSTEMS SALES

LAST TEN FISCAL YEARS

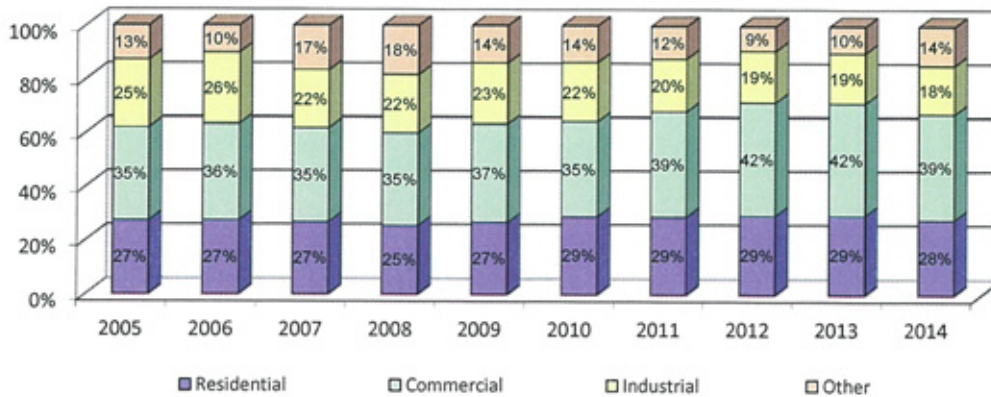
	Residential					Commercial				
	Dollars/\$s	(Kwh)	Customers	Average kWh	Average Sales /\$s	Dollars/\$s	(Kwh)	Customers	Average kWh	Average Sales /\$s
2005	\$ 44,116,173	549,989,717	57,486	9,567	\$ 767.42	\$ 56,254,173	846,528,035	6,672	126,878	\$ 8,431.38
2006	\$ 54,131,458	562,349,076	57,500	9,780	\$ 941.42	\$ 71,126,503	910,094,493	6,733	135,169	\$ 10,563.86
2007	\$ 50,728,377	569,938,677	57,267	9,952	\$ 885.82	\$ 66,484,533	896,367,753	6,799	131,838	\$ 9,778.58
2008	\$ 50,853,676	544,166,628	57,187	9,516	\$ 889.25	\$ 69,292,240	856,957,838	6,905	124,107	\$ 10,035.08
2009	\$ 49,968,396	536,644,287	56,907	9,430	\$ 878.07	\$ 69,038,969	864,936,202	6,952	124,415	\$ 9,930.81
2010	\$ 53,468,956	609,507,300	56,357	10,815	\$ 948.75	\$ 65,639,995	880,896,928	6,905	127,574	\$ 9,506.15
2011	\$ 58,399,854	593,262,827	56,297	10,538	\$ 1,037.35	\$ 79,123,112	947,700,453	6,782	139,738	\$ 11,666.63
2012	\$ 63,637,856	575,632,270	56,161	10,250	\$ 1,133.13	\$ 90,921,884	1,002,859,658	6,824	146,961	\$ 13,323.84
2013	\$ 62,720,564	570,101,207	56,607	10,071	\$ 1,108.00	\$ 88,739,827	974,198,305	6,867	141,867	\$ 12,922.65
2014	\$ 66,175,299	570,452,010	57,104	9,990	\$ 1,158.86	\$ 93,289,110	972,781,805	6,897	141,044	\$ 13,526.04

	Industrial					Other				
	Dollars/\$s	(Kwh)	Customers	Average kWh	Average Sales /\$s	Dollars/\$s	(Kwh)	Customers	Average kWh	Average Sales /\$s
2005	\$ 40,788,506	920,894,297	99	9,301,963	\$ 412,005.11	\$ 20,708,393	572,925,408	224	2,557,703	\$ 92,448.18
2006	\$ 52,357,554	897,258,438	94	9,545,303	\$ 556,995.26	\$ 19,978,877	457,359,735	242	1,889,916	\$ 82,557.34
2007	\$ 41,001,666	759,651,447	94	8,081,398	\$ 436,187.94	\$ 31,468,641	502,448,866	225	2,233,106	\$ 139,860.63
2008	\$ 43,507,292	742,247,845	94	7,896,254	\$ 462,843.53	\$ 36,760,714	482,736,551	222	2,174,489	\$ 165,588.80
2009	\$ 42,666,801	689,322,900	94	7,333,222	\$ 453,902.14	\$ 26,074,666	419,910,237	232	1,809,958	\$ 112,390.80
2010	\$ 40,758,341	751,421,546	94	7,993,846	\$ 433,599.38	\$ 25,318,233	417,673,813	233	1,792,591	\$ 108,661.94
2011	\$ 39,556,941	617,010,984	94	6,563,947	\$ 420,818.52	\$ 24,325,345	375,029,948	203	1,847,438	\$ 119,829.29
2012	\$ 41,183,223	558,120,634	93	6,001,297	\$ 442,830.35	\$ 19,663,998	209,451,130	203	1,031,779	\$ 96,866.99
2013	\$ 39,454,295	539,561,698	90	5,995,130	\$ 438,381.06	\$ 21,028,399	264,080,917	203	1,300,891	\$ 103,588.17
2014	\$ 42,828,672	554,090,099	90	6,156,557	\$ 475,874.13	\$ 34,251,771	397,969,989	199	1,999,849	\$ 172,119.45

*Other includes Schools, Wholesale Sales, Highway Lighting and Public Authorities

	Total				
	Dollars/\$s	(Kwh)	Customers	Average kWh	Average Sales /\$s
2005	\$ 161,867,245	2,890,337,457	64,481	44,825	\$ 2,510.31
2006	\$ 197,594,392	2,827,061,742	64,569	43,784	\$ 3,060.21
2007	\$ 189,683,217	2,728,406,743	64,385	42,376	\$ 2,946.08
2008	\$ 200,413,922	2,626,108,862	64,408	40,773	\$ 3,111.63
2009	\$ 187,748,832	2,510,813,626	64,185	39,118	\$ 2,925.12
2010	\$ 185,185,525	2,659,499,587	63,589	41,823	\$ 2,912.23
2011	\$ 201,405,252	2,533,004,212	63,376	39,968	\$ 3,177.94
2012	\$ 215,406,961	2,346,063,692	63,281	37,074	\$ 3,403.98
2013	\$ 211,943,085	2,347,942,127	63,767	36,821	\$ 3,323.71
2014	\$ 236,544,852	2,495,293,903	64,290	38,813	\$ 3,679.34

Percentage of Electric Utility Sales

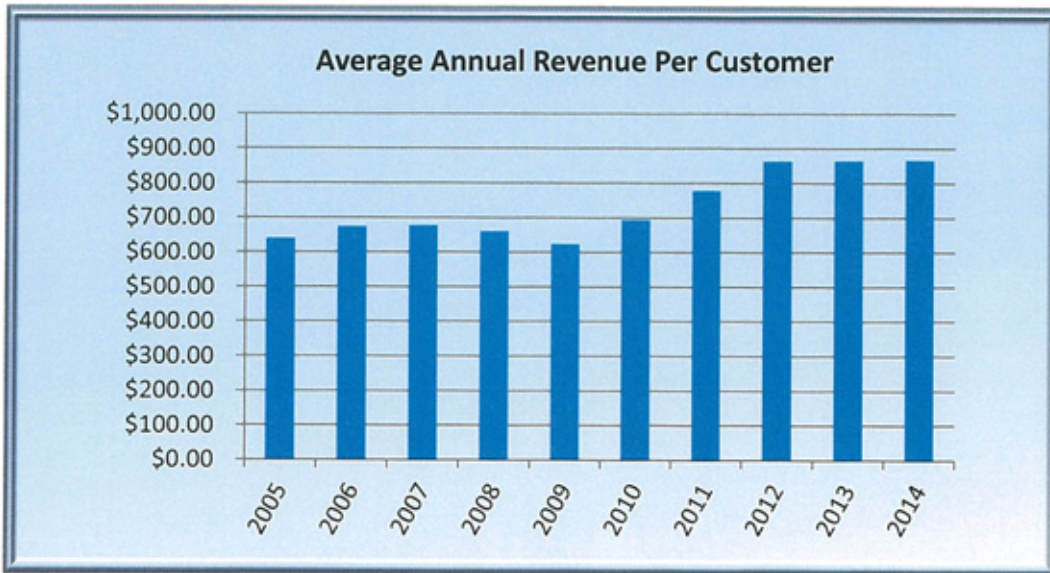


**BPU
Water Sales**

Last Ten Fiscal Years

Fiscal Year	Gallons Pumped	Gallons Sold	Operating Revenue	Average Number of Customers	Average Revenue Per Customer
2005	13,179,970,000	7,314,650,112	\$ 32,672,356	50,988	\$640.79
2006	12,754,110,000	7,317,225,371	\$ 34,270,444	50,765	\$675.08
2007	11,387,530,000	7,000,978,000	\$ 34,445,314	50,691	\$679.52
2008	11,703,670,000	6,260,264,000	\$ 33,488,102	50,530	\$662.74
2009	10,867,240,000	6,015,566,000	\$ 31,545,660	50,483	\$624.88
2010	11,088,290,000	6,422,126,000	\$ 34,731,824	49,987	\$694.82
2011	11,435,840,000	6,662,349,000	\$ 38,855,138	49,833	\$779.71
2012	12,373,150,000	6,848,172,000	\$ 43,178,953	49,982	\$863.89
2013	11,239,380,000	6,217,618,000	\$ 43,245,833	49,927	\$866.18
2014	10,708,060,000	6,240,941,000	\$ 43,714,822	50,384	\$867.63

NOTE: Gallons sold excludes internal BPU department use and water services provided to the Unified Government of Wyandotte County/Kansas City, Kansas.



Debt Capacity





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BPU
Utility System Revenue Bonded Indebtedness

Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Current Year Net Revenue Available for Debt Service	Maximum Outstanding Annual Debt Service (3)	Debt Service			Coverage (4)
					Principal (3)	Interest (3)	Total (3)	
2005	\$ 229,794,624	\$ 163,244,271	\$ 66,550,353	\$ 34,463,496	360,731,614	284,858,425	645,590,039	1.93
2006	\$ 262,047,645	\$ 181,735,688	\$ 80,311,957	\$ 34,463,496	354,426,183	265,065,016	619,491,199	2.33
2007	\$ 249,572,589	\$ 180,408,175	\$ 69,164,414	\$ 33,557,926	346,692,157	242,696,750	589,388,907	2.06
2008	\$ 259,099,083	\$ 191,646,089	\$ 67,452,994	\$ 33,557,926	335,751,130	220,158,825	555,909,955	2.01
2009	\$ 233,062,328	\$ 185,129,869	\$ 47,932,459	\$ 34,270,503	385,592,415	243,196,901	628,789,316	1.39
2010	\$ 265,907,854	\$ 171,635,396	\$ 94,272,458	\$ 33,934,990	376,147,121	214,362,010	590,509,131	2.78
2011	\$ 273,231,435	\$ 192,613,493	\$ 80,617,942	\$ 38,594,328	440,913,666	255,860,571	696,774,237	2.07
2012	\$ 290,217,990	\$ 204,642,159	\$ 85,575,831	\$ 44,144,619	498,523,619	285,077,454	783,601,073	1.94
2013	\$ 287,771,566	\$ 196,863,453	\$ 90,908,113	\$ 44,144,619	490,350,940	264,673,442	755,024,382	2.06
2014	\$ 311,682,145	\$ 215,695,728	\$ 95,986,417	\$ 49,344,896	580,178,862	348,063,141	928,242,003	1.94

NOTE: The most restrictive bond ordinance provides for historical net revenue coverage at 120 percent of the Maximum Outstanding Annual Debt Service.

- (1) Total operating revenues, interest on investments, other interest and income (excluding Construction Fund) and other.
- (2) Total operating expenses exclusive of depreciation and amortization.
- (3) Beginning in 2004 the maximum outstanding annual debt service and debt service includes the payments required for the government loans.
- (4) Current Year Net Revenue Available for Debt Service divided by Maximum Outstanding Annual Debt Service

BPU
Debt per Customer

Year	Total Electric			Customers	Debt / Customer
	Principal	Interest	Total		
2014	6,006,202	13,967,449	19,973,651	64,290	311
2015	13,493,951	23,229,214	36,723,165	64,290	571
2016	14,522,484	21,181,962	35,704,445	64,290	555
2017	15,032,472	20,644,787	35,677,258	64,290	555
2018	15,623,140	20,051,253	35,674,393	64,290	555
2019	18,574,177	19,391,704	37,965,880	64,290	591
2020	19,444,438	18,507,765	37,952,203	64,290	590
2021	20,363,198	17,581,845	37,945,043	64,290	590
2022	20,485,958	16,640,725	37,126,683	64,290	577
2023	21,475,717	15,625,259	37,100,976	64,290	577
2024	16,700,556	14,560,571	31,261,126	64,290	486
2025	18,030,938	13,761,036	31,791,974	64,290	495
2026	18,920,775	12,868,051	31,788,826	64,290	494
2027	20,033,356	11,980,601	32,013,957	64,290	498
2028	21,195,042	11,038,980	32,234,022	64,290	501
2029	22,437,614	10,040,857	32,478,470	64,290	505
2030	23,356,234	8,945,717	32,301,951	64,290	502
2031	21,126,053	7,795,599	28,921,652	64,290	450
2032	22,177,408	6,749,440	28,926,848	64,290	450
2033	17,720,049	5,662,199	23,382,248	64,290	364
2034	18,550,026	4,830,661	23,380,687	64,290	364
2035	13,344,000	3,947,888	17,291,888	64,290	269
2036	14,067,600	3,337,163	17,404,763	64,290	271
2037	11,070,000	2,698,263	13,768,263	64,290	214
2038	5,700,000	2,206,413	7,906,413	64,290	123
2039	5,945,000	1,964,163	7,909,163	64,290	123
2040	6,195,000	1,711,500	7,906,500	64,290	123
2041	6,505,000	1,401,750	7,906,750	64,290	123
2042	6,830,000	1,076,500	7,906,500	64,290	123
2043	7,170,000	735,000	7,905,000	64,290	123
2044	7,530,000	376,500	7,906,500	64,290	123
Total	469,626,383	314,510,813	784,137,196	64,290	12,197

Year	Total Water			Customers	Debt / Customer
	Principal	Interest	Total		
2014	3,553,934	4,034,112	7,588,045	50,384	151
2015	6,484,763	5,059,535	11,544,298	50,384	229
2016	6,911,816	4,634,574	11,546,390	50,384	229
2017	6,933,140	4,397,601	11,330,741	50,384	225
2018	7,187,210	4,154,070	11,341,280	50,384	225
2019	7,495,667	3,878,211	11,373,879	50,384	226
2020	7,839,739	3,552,954	11,392,693	50,384	226
2021	8,186,486	3,212,243	11,398,729	50,384	226
2022	7,501,747	2,859,031	10,360,778	50,384	206
2023	7,561,364	2,531,380	10,092,744	50,384	200
2024	5,459,853	2,202,267	7,662,119	50,384	152
2025	4,688,858	1,992,077	6,680,935	50,384	133
2026	4,893,245	1,791,087	6,684,331	50,384	133
2027	4,874,471	1,567,327	6,461,798	50,384	128
2028	4,859,279	1,384,685	6,243,964	50,384	124
2029	4,929,458	1,172,484	6,101,942	50,384	121
2030	5,112,687	956,103	6,068,791	50,384	120
2031	3,893,824	730,513	4,624,337	50,384	92
2032	4,063,789	563,168	4,626,957	50,384	92
2033	3,032,840	386,641	3,419,481	50,384	68
2034	2,399,974	261,126	2,661,100	50,384	53
2035	1,371,000	140,625	1,511,625	50,384	30
2036	1,332,400	72,075	1,404,475	50,384	28
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
Total	120,567,542	51,553,889	172,121,431	50,384	3,416

Year	Total Combined			Customers	Debt / Customer
	Principal	Interest	Total		
2014	9,560,135	18,001,561	27,561,696	114,674	461
2015	19,978,714	28,288,749	48,267,463	114,674	800
2016	21,434,299	25,816,536	47,250,835	114,674	785
2017	21,965,611	25,042,388	47,007,999	114,674	780
2018	22,810,350	24,205,324	47,015,673	114,674	760
2019	28,069,844	23,269,915	49,339,759	114,674	816
2020	27,284,177	22,060,719	49,344,896	114,674	816
2021	28,549,684	20,794,088	49,343,773	114,674	816
2022	27,987,705	19,499,756	47,487,461	114,674	783
2023	29,037,081	18,156,639	47,193,720	114,674	777
2024	22,160,408	16,762,837	38,923,246	114,674	638
2025	22,719,796	15,753,113	38,472,909	114,674	627
2026	23,814,020	14,659,137	38,473,157	114,674	627
2027	24,907,826	13,567,928	38,475,754	114,674	626
2028	26,054,321	12,423,665	38,477,986	114,674	625
2029	27,367,072	11,213,341	38,580,413	114,674	626
2030	28,468,921	9,901,820	38,370,741	114,674	623
2031	25,019,877	8,526,112	33,545,989	114,674	542
2032	26,241,197	7,312,609	33,553,805	114,674	542
2033	20,752,889	6,048,840	26,801,729	114,674	432
2034	20,950,000	5,091,788	26,041,788	114,674	416
2035	14,715,000	4,088,513	18,803,513	114,674	299
2036	15,400,000	3,409,238	18,809,238	114,674	299
2037	11,070,000	2,698,263	13,768,263	64,290	214
2038	5,700,000	2,206,413	7,906,413	64,290	123
2039	5,945,000	1,964,163	7,909,163	64,290	123
2040	6,195,000	1,711,500	7,906,500	64,290	123
2041	6,505,000	1,401,750	7,906,750	64,290	123
2042	6,830,000	1,076,500	7,906,500	64,290	123
2043	7,170,000	735,000	7,905,000	64,290	123
2044	7,530,000	376,500	7,906,500	64,290	123
Total	590,193,925	366,064,702	956,258,627	101,672	15,613

Notes:
2014 customer count

**BPU
Debt Maturity Schedules - Unaudited**

Combined

Year	2001 Issue Industrial Revenue Bonds		2009A Issue - Revenue Debt Service Bonds		2010 Issue Refunding Bond		2011 Issue	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	960,000	456,450	1,490,000	2,624,725	2,410,000	1,063,900	975,000	4,192,494
2015	1,015,000	397,200	1,535,000	2,583,750	3,330,000	943,400	3,110,000	4,163,244
2016	1,075,000	339,875	1,610,000	2,507,000	3,510,000	776,900	3,190,000	4,069,944
2017	1,130,000	284,750	1,690,000	2,426,500	2,875,000	671,600	3,255,000	3,958,294
2018	1,190,000	226,750	1,775,000	2,342,000	2,980,000	570,975	3,365,000	3,860,644
2019	1,250,000	165,750	1,865,000	2,253,250	825,000	451,775	5,780,000	3,709,219
2020	1,310,000	101,750	1,955,000	2,160,000	890,000	418,775	6,060,000	3,420,219
2021	1,380,000	34,500	2,055,000	2,062,250	925,000	383,175	6,360,000	3,117,219
2022			2,155,000	1,959,500	960,000	343,863	4,870,000	2,799,219
2023			2,265,000	1,851,750	995,000	303,063	2,220,000	2,555,719
2024			2,380,000	1,738,500	1,055,000	260,775	995,000	2,444,719
2025			2,500,000	1,619,500	1,115,000	213,300	1,785,000	2,403,675
2026			2,625,000	1,494,500	1,170,000	163,125	1,870,000	2,314,425
2027			2,755,000	1,363,250	1,200,000	110,475	2,300,000	2,220,925
2028			2,890,000	1,225,500	1,255,000	56,475	2,735,000	2,105,925
2029			3,035,000	1,081,000			6,120,000	1,969,175
2030			3,190,000	929,250			6,415,000	1,678,475
2031			3,355,000	781,775			1,895,000	1,373,763
2032			3,530,000	585,638			1,990,000	1,283,750
2033			3,715,000	400,313			6,980,000	1,184,250
2034			3,910,000	205,275			7,330,000	835,250
2035							4,570,000	468,750
2036							4,805,000	240,250
2037								
2038								
2039								
2040								
2041								
2042								
2043								
2044								
Total	9,310,000	2,007,025	52,280,000	34,175,225	25,495,000	6,731,575	88,975,000	56,369,544

Year	2012A Refunding Issue		2012B Issue		2014 Refunding Issue & New Money		BPU Portion UG Radio Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014		5,236,150	1,870,000	3,526,150			116,250	118,552
2015	1,785,000	5,236,150	1,845,000	3,451,350	5,325,000	10,614,494	285,000	130,219
2016	1,845,000	5,164,750	1,870,000	3,377,550	6,240,000	8,735,988	291,250	124,519
2017	2,155,000	5,090,950	1,665,000	3,340,150	7,035,000	8,486,388	296,250	118,694
2018	2,210,000	5,004,750	1,735,000	3,273,550	7,325,000	8,204,988	302,500	113,513
2019	2,310,000	4,916,350	1,805,000	3,204,150	9,930,000	7,911,988	311,250	108,219
2020	2,390,000	4,823,950	1,875,000	3,131,950	10,425,000	7,415,488	317,500	100,419
2021	2,465,000	4,728,350	1,950,000	3,056,950	10,960,000	6,894,238	322,500	92,469
2022	1,195,000	4,629,750	2,030,000	2,978,950	14,240,000	6,346,238	332,500	82,794
2023	3,860,000	4,570,000	2,130,000	2,877,450	14,945,000	5,634,238	341,250	72,819
2024	8,915,000	4,377,000	3,085,000	2,770,950	3,020,000	4,886,988	351,250	62,581
2025	9,360,000	3,931,250	3,240,000	2,616,700	3,150,000	4,756,388	361,250	52,938
2026	9,820,000	3,463,250	3,405,000	2,454,700	3,310,000	4,598,888	370,000	42,100
2027	10,285,000	3,000,375	3,545,000	2,312,550	3,475,000	4,433,388	383,750	31,000
2028	10,770,000	2,512,375	3,690,000	2,166,200	3,650,000	4,259,638	396,250	19,251
2029	9,650,000	1,998,250	3,845,000	2,015,500	3,830,000	4,077,138	203,750	6,877
2030	10,110,000	1,533,000	4,035,000	1,823,250	4,020,000	3,885,638		
2031	10,600,000	1,045,725	4,235,000	1,621,500	4,220,000	3,684,638		
2032	11,105,000	534,925	4,450,000	1,409,750	4,435,000	3,473,638		
2033			4,670,000	1,187,250	4,640,000	3,266,238		
2034			4,885,000	970,625	4,825,000	3,080,638		
2035			5,115,000	744,188	5,030,000	2,875,575		
2036			5,350,000	507,188	5,245,000	2,661,800		
2037			5,600,000	259,375	5,470,000	2,438,888		
2038					5,700,000	2,206,413		
2039					5,945,000	1,964,163		
2040					6,195,000	1,711,500		
2041					6,505,000	1,401,750		
2042					6,830,000	1,076,500		
2043					7,170,000	735,000		
2044					7,530,000	376,500		
Total	110,830,000	71,797,300	77,925,000	65,077,925	190,620,000	132,095,344	4,982,500	1,276,962

**BPU
Debt Maturity Schedules - Unaudited**

Combined

Year	KDHE Loan #1			KDHE Loan #2			KDHE Loan #3		
	Principal	Interest	Service Fee	Principal	Interest	Service Fee	Principal	Interest	Service Fee
2014	567,234	266,608	26,211	237,789	111,017	10,976	394,569	215,274	23,183
2015	589,629	246,217	24,207	247,129	102,517	10,136	408,901	202,335	21,790
2016	612,909	225,021	22,123	256,836	93,684	9,263	423,754	188,926	20,346
2017	637,108	202,988	19,957	266,924	84,503	8,355	439,147	175,030	18,849
2018	662,263	180,085	17,705	277,408	74,962	7,412	455,098	160,630	17,299
2019	688,410	156,278	15,364	288,304	65,046	6,431	471,629	145,706	15,691
2020	715,590	131,531	12,931	299,629	54,741	5,412	488,761	130,240	14,026
2021	743,843	105,807	10,402	311,397	44,031	4,353	506,514	114,212	12,300
2022	773,212	79,067	7,773	323,629	32,900	3,253	524,913	97,602	10,511
2023	803,740	51,272	5,041	336,340	21,333	2,109	543,980	80,389	8,657
2024	835,473	22,379	2,200	349,551	9,310	921	563,740	62,551	6,736
2025							584,217	44,064	4,745
2026							605,438	24,906	2,682
2027							310,916	5,052	544
2028									
2029									
2030									
2031									
2032									
2033									
2034									
2035									
2036									
2037									
2038									
2039									
2040									
2041									
2042									
2043									
2044									
Total	7,629,411	1,667,252	163,915	3,194,937	694,045	68,620	6,721,577	1,646,917	177,361

Year	KDHE Loan #4			Total	Total P&I		
	Principal	Interest	Service Fee	Service Fee	Principal	Interest	Total
2014	539,293	190,242	34,679	95,050	9,560,135	18,001,561	27,561,696
2015	503,055	217,874	39,717	95,849	19,978,714	28,288,749	48,267,463
2016	509,550	212,380	38,715	90,446	21,434,299	25,816,536	47,250,835
2017	521,182	202,542	36,922	84,083	21,965,611	25,042,388	47,007,999
2018	533,080	192,478	35,087	77,502	22,810,350	24,205,324	47,015,673
2019	545,250	182,185	33,211	70,698	26,069,844	23,269,915	49,339,759
2020	557,697	171,657	31,292	63,661	27,284,177	22,060,719	49,344,896
2021	570,429	160,888	29,329	56,384	28,549,684	20,794,088	49,343,773
2022	583,451	149,874	27,321	48,858	27,987,705	19,499,756	47,487,461
2023	596,771	138,608	25,267	41,074	29,037,081	18,156,639	47,193,720
2024	610,394	127,085	23,167	33,023	22,160,408	16,762,837	38,923,246
2025	624,329	115,299	21,018	25,763	22,719,796	15,753,113	38,472,909
2026	638,582	103,244	18,820	21,503	23,814,020	14,659,137	38,473,157
2027	653,160	90,913	16,573	17,117	24,907,826	13,567,928	38,475,754
2028	668,071	78,301	14,274	14,274	26,054,321	12,423,665	38,477,986
2029	683,322	65,402	11,922	11,922	27,367,072	11,213,341	38,580,413
2030	698,921	52,207	9,517	9,517	28,468,921	9,901,820	38,370,741
2031	714,877	38,712	7,057	7,057	25,019,877	8,526,112	33,545,989
2032	731,197	24,909	4,541	4,541	26,241,197	7,312,609	33,553,805
2033	747,889	10,790	1,967	1,967	20,752,889	6,048,840	26,801,729
2034					20,950,000	5,091,788	26,041,788
2035					14,715,000	4,088,513	18,803,513
2036					15,400,000	3,409,238	18,809,238
2037					11,070,000	2,698,263	13,768,263
2038					5,700,000	2,206,413	7,906,413
2039					5,945,000	1,964,163	7,909,163
2040					6,195,000	1,711,500	7,906,500
2041					6,505,000	1,401,750	7,906,750
2042					6,830,000	1,076,500	7,906,500
2043					7,170,000	735,000	7,905,000
2044					7,530,000	376,500	7,906,500
Total	12,230,500	2,525,589	460,394	870,290	590,193,925	366,064,702	956,258,627

**BPU
Debt Maturity Schedules - Unaudited**

Electric System

Year	2001 Issue Industrial Revenue Bonds		2009A Issue - Revenue Debt Service Bonds		2010 Issue Refunding Bond		2011 Issue	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	835,200	397,112	1,413,414	2,469,814	1,108,600	489,394	682,500	2,934,746
2015	883,050	345,564	1,456,101	2,450,945	1,531,800	433,964	2,177,000	2,914,271
2016	935,250	295,691	1,527,246	2,378,140	1,614,600	357,374	2,233,000	2,848,961
2017	983,100	247,733	1,603,134	2,301,778	1,322,500	308,936	2,278,500	2,770,806
2018	1,035,300	197,273	1,683,765	2,221,621	1,370,800	262,649	2,355,500	2,702,451
2019	1,087,500	144,203	1,769,139	2,137,433	379,500	207,817	4,049,000	2,596,453
2020	1,139,700	88,523	1,854,513	2,049,976	409,400	192,637	4,242,000	2,394,153
2021	1,200,600	30,015	1,949,373	1,956,250	425,500	176,261	4,452,000	2,162,053
2022			2,044,233	1,858,782	441,600	158,177	3,409,000	1,959,453
2023			2,148,579	1,756,570	457,700	139,409	1,554,000	1,789,003
2024			2,257,668	1,649,141	485,300	119,957	696,500	1,711,303
2025			2,371,500	1,536,258	512,900	98,118	1,249,500	1,682,573
2026			2,490,075	1,417,683	538,200	75,038	1,309,000	1,620,098
2027			2,613,393	1,293,179	552,000	50,819	1,610,000	1,554,648
2028			2,741,454	1,162,509	577,300	25,979	1,914,500	1,474,148
2029			2,879,001	1,025,437			4,284,000	1,378,423
2030			3,026,034	881,487			4,490,500	1,174,933
2031			3,182,553	722,620			1,326,500	961,634
2032			3,348,558	555,536			1,393,000	898,625
2033			3,524,049	379,739			4,869,000	828,975
2034			3,709,026	194,724			5,131,000	584,675
2035							3,199,000	328,125
2036							3,472,600	168,175
2037								
2038								
2039								
2040								
2041								
2042								
2043								
2044								
Total	8,099,700	1,746,112	49,592,808	32,418,618	11,727,700	3,096,525	62,391,600	39,458,681

Year	2012A Refunding Issue		2012B Issue		2014 Refunding Issue & New Money		BPU Portion UG Radio Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014		4,031,836	1,870,000	3,526,150			96,488	98,399
2015	1,374,450	4,031,836	1,845,000	3,451,350	3,990,000	9,493,203	236,550	108,082
2016	1,420,650	3,976,858	1,870,000	3,377,550	4,680,000	7,844,038	241,738	103,351
2017	1,659,350	3,920,032	1,665,000	3,340,150	5,275,000	7,656,838	245,888	98,516
2018	1,701,700	3,853,658	1,735,000	3,273,550	5,490,000	7,445,838	251,075	94,215
2019	1,778,700	3,785,590	1,805,000	3,204,150	7,450,000	7,226,238	258,338	89,822
2020	1,840,300	3,714,442	1,875,000	3,131,950	7,820,000	6,953,738	263,525	83,348
2021	1,898,050	3,640,830	1,950,000	3,056,950	8,220,000	6,462,738	267,675	76,749
2022	920,150	3,564,908	2,030,000	2,978,950	11,365,000	6,051,738	275,975	68,719
2023	2,972,200	3,518,900	2,130,000	2,877,450	11,930,000	5,463,488	283,238	60,440
2024	6,864,550	3,370,290	3,085,000	2,770,950	3,020,000	4,886,988	291,538	51,942
2025	7,207,200	3,027,063	3,240,000	2,616,700	3,150,000	4,756,388	299,838	43,938
2026	7,551,400	2,666,703	3,405,000	2,454,700	3,310,000	4,598,888	307,100	34,943
2027	7,919,450	2,310,289	3,545,000	2,312,550	3,475,000	4,433,388	318,513	25,730
2028	8,292,900	1,934,529	3,690,000	2,166,200	3,650,000	4,259,638	328,888	15,979
2029	7,430,500	1,538,653	3,845,000	2,015,500	3,830,000	4,077,138	169,113	5,708
2030	7,784,700	1,180,410	4,035,000	1,823,250	4,020,000	3,885,638		
2031	8,162,000	805,208	4,235,000	1,621,500	4,220,000	3,684,638		
2032	8,550,850	411,892	4,450,000	1,409,750	4,435,000	3,473,638		
2033			4,670,000	1,187,250	4,640,000	3,266,238		
2034			4,885,000	970,625	4,825,000	3,060,638		
2035			5,115,000	744,188	5,030,000	2,875,575		
2036			5,350,000	507,188	5,245,000	2,661,800		
2037			5,600,000	258,375	5,470,000	2,438,888		
2038					5,700,000	2,206,413		
2039					5,945,000	1,964,163		
2040					6,195,000	1,711,500		
2041					6,505,000	1,401,750		
2042					6,830,000	1,076,500		
2043					7,170,000	735,000		
2044					7,530,000	376,500		
Total	85,339,100	55,283,921	77,925,000	55,077,926	170,415,000	126,389,153	4,135,475	1,059,878

Year	Total P&I		
	Principal	Interest	Total
2014	6,006,202	13,967,449	19,973,651
2015	13,493,951	23,229,214	36,723,165
2016	14,522,484	21,181,962	35,704,445
2017	15,032,472	20,644,787	35,677,258
2018	15,623,140	20,051,253	35,674,393
2019	18,574,177	19,391,704	37,965,880
2020	19,444,438	18,507,765	37,952,203
2021	20,363,198	17,581,845	37,945,043
2022	20,485,958	16,640,725	37,126,683
2023	21,475,717	15,625,259	37,100,976
2024	16,700,556	14,560,571	31,261,126
2025	18,030,938	13,761,036	31,791,974
2026	18,920,775	12,868,051	31,788,826
2027	20,033,356	11,980,601	32,013,957
2028	21,195,042	11,038,980	32,234,022
2029	22,437,614	10,040,857	32,478,470
2030	23,356,234	8,945,717	32,301,951
2031	21,128,053	7,795,599	28,923,652
2032	22,177,408	6,749,440	28,926,848
2033	17,720,049	5,662,199	23,382,248
2034	18,550,026	4,830,661	23,380,687
2035	13,344,000	3,947,888	17,291,888
2036	14,067,600	3,337,163	17,404,763
2037	11,070,000	2,698,263	13,768,263
2038	5,700,000	2,206,413	7,906,413
2039	5,945,000	1,964,163	7,909,163
2040	6,195,000	1,711,500	7,906,500
2041	6,505,000	1,401,750	7,906,750
2042	6,830,000	1,076,500	7,906,500
2043	7,170,000	735,000	7,905,000
2044	7,530,000	376,500	7,906,500
Total	469,626,383	314,510,813	784,137,196

**BPU
Debt Maturity Schedules - Unaudited**

Water System

Year	2001 Issue Industrial Revenue Bonds		2009A Issue - Revenue Debt Service Bonds		2010 Issue Refunding Bond		2011 Issue		2012A Refunding Issue	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	124,800	59,339	76,586	134,911	1,301,400	574,506	292,500	1,257,748		1,204,315
2015	131,950	51,636	78,899	132,805	1,798,200	509,436	933,000	1,248,973	410,550	1,204,315
2016	139,750	44,184	82,754	128,860	1,895,500	419,526	957,000	1,220,983	424,350	1,187,893
2017	146,900	37,018	86,866	124,722	1,552,500	362,664	976,500	1,187,488	495,650	1,170,919
2018	154,700	29,478	91,235	120,379	1,609,200	308,327	1,009,500	1,158,193	508,300	1,151,093
2019	162,500	21,548	95,861	115,817	445,500	243,959	1,734,000	1,112,766	531,300	1,130,761
2020	170,300	13,228	100,487	111,024	480,600	226,139	1,818,000	1,026,066	549,700	1,109,509
2021	179,400	4,485	105,627	106,000	499,500	206,915	1,908,000	935,166	566,950	1,087,521
2022			110,767	100,718	518,400	185,686	1,461,000	839,766	274,850	1,064,843
2023			116,421	95,180	537,300	163,654	666,000	766,716	887,800	1,051,100
2024			122,332	89,359	569,700	140,819	298,500	733,416	2,050,450	1,006,710
2025			128,500	83,242	602,100	115,182	535,500	721,103	2,152,800	904,188
2026			134,925	76,817	631,800	88,088	561,000	694,328	2,258,600	796,548
2027			141,607	70,071	648,000	59,657	690,000	666,278	2,365,550	690,086
2028			148,546	62,991	677,700	30,497	820,500	631,778	2,477,100	577,846
2029			155,999	55,563			1,836,000	590,753	2,219,500	459,598
2030			163,966	47,763			1,924,500	503,543	2,325,300	352,590
2031			172,447	39,155			568,500	412,129	2,438,000	240,517
2032			181,442	30,102			597,000	385,125	2,554,150	123,033
2033			190,951	20,576			2,094,000	355,275		
2034			200,974	10,551			2,199,000	250,575		
2035							1,371,000	140,625		
2036							1,332,400	72,075		
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
Total	1,210,300	260,913	2,687,192	1,756,607	13,767,300	3,635,050	26,583,400	16,910,863	25,490,900	16,513,379

Year	2014 Refunding Issue & New Money		BPU Portion UG Radio Debt		KDHE Loan #1			KDHE Loan #2		
	Principal	Interest	Principal	Interest	Principal	Interest	Service Fee	Principal	Interest	Service Fee
2014			19,763	20,154	567,234	266,608	26,211	237,789	111,017	10,976
2015	1,335,000	1,121,290	48,450	22,137	589,629	246,217	24,207	247,129	102,517	10,136
2016	1,560,000	891,950	49,513	21,168	612,909	225,021	22,123	256,836	93,684	9,263
2017	1,760,000	829,550	50,363	20,178	637,108	202,988	19,957	266,924	84,503	8,355
2018	1,835,000	759,150	51,425	19,297	662,263	180,085	17,705	277,408	74,962	7,412
2019	2,480,000	685,750	52,913	18,397	688,410	156,278	15,364	288,304	65,046	6,431
2020	2,605,000	561,750	53,975	17,071	715,590	131,531	12,931	299,629	54,741	5,412
2021	2,740,000	431,500	54,825	15,720	743,843	105,807	10,402	311,397	44,031	4,353
2022	2,875,000	294,500	56,525	14,075	773,212	79,067	7,773	323,629	32,900	3,253
2023	3,015,000	150,750	58,013	12,379	803,740	51,272	5,041	336,340	21,333	2,109
2024			59,713	10,639	835,473	22,379	2,200	349,551	9,310	921
2025			61,413	8,999						
2026			62,900	7,157						
2027			65,238	5,270						
2028			67,363	3,273						
2029			34,638	1,169						
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
Total	20,205,000	5,726,190	847,025	217,084	7,629,411	1,667,252	163,915	3,194,937	694,045	68,620

Year	KDHE Loan #3			KDHE Loan #4			Total Service Fee	Total P&I		
	Principal	Interest	Service Fee	Principal	Interest	Service Fee		Principal	Interest	Total
2014	394,569	215,274	23,183	539,293	190,242	34,679	95,050	3,553,934	4,034,112	7,588,045
2015	408,901	202,335	21,790	503,055	217,874	39,717	95,849	6,484,763	5,059,535	11,544,298
2016	423,754	188,926	20,346	509,550	212,380	38,715	90,446	6,911,816	4,634,574	11,546,390
2017	439,147	175,030	18,849	521,182	202,542	36,922	84,083	6,933,140	4,397,601	11,330,741
2018	455,098	160,630	17,299	533,080	192,478	35,087	77,502	7,187,210	4,154,070	11,341,280
2019	471,629	145,706	15,691	545,250	182,185	33,211	70,698	7,495,667	3,878,211	11,373,879
2020	488,761	130,240	14,026	557,697	171,657	31,292	63,661	7,839,739	3,552,954	11,392,693
2021	506,514	114,212	12,300	570,429	160,888	29,329	56,384	8,186,486	3,212,243	11,398,729
2022	524,913	97,602	10,511	583,451	149,874	27,321	48,858	7,501,747	2,859,031	10,360,778
2023	543,980	80,389	8,657	596,771	138,608	25,267	41,074	7,561,364	2,531,380	10,092,744
2024	563,740	62,551	6,736	610,394	127,085	23,167	33,023	5,459,853	2,202,267	7,662,119
2025	584,217	44,064	4,745	624,329	115,299	21,018	25,763	4,688,858	1,992,077	6,680,935
2026	605,438	24,906	2,682	638,582	103,244	18,820	21,503	4,893,245	1,791,087	6,684,331
2027	310,916	5,052	544	653,160	90,913	16,573	17,117	4,874,471	1,587,327	6,461,798
2028				668,071	78,301	14,274	14,274	4,859,279	1,384,685	6,243,964
2029				683,322	65,402	11,922	11,922	4,929,458	1,172,484	6,101,942
2030				699,921	52,207	9,517	9,517	5,112,687	956,103	6,068,791
2031				714,877	38,712	7,057	7,057	3,893,824	730,513	4,624,337
2032				731,197	24,909	4,541	4,541	4,063,789	563,168	4,626,957
2033				747,889	10,790	1,967	1,967	3,032,840	386,641	3,419,481
2034								2,399,974	261,126	2,661,100
2035								1,371,000	140,625	1,511,625
2036								1,332,400	72,075	1,404,475
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
Total	6,721,577	1,646,917	177,361	12,230,500	2,525,589	460,394	870,290	120,567,542	51,553,889	172,121,431

Demographic and Economic Information





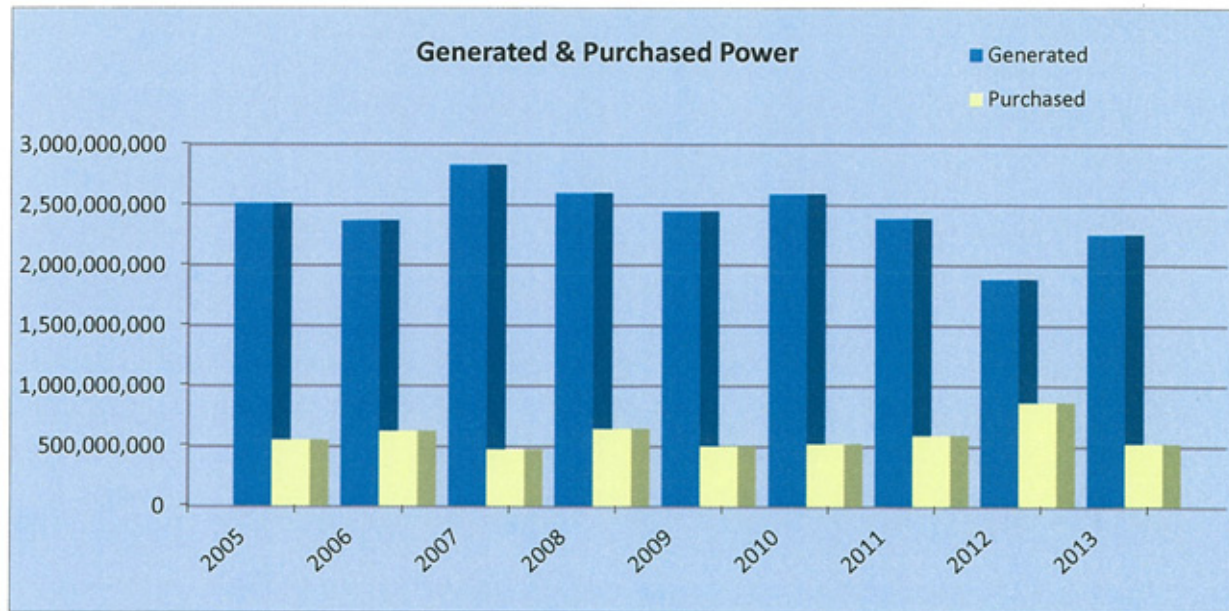
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Electric Load Statistics in Kilowatts

Last Ten Fiscal Years

Fiscal Year	Generated	Purchased	Interchanged	Total Kilowatts Available	Maximum System Gross Demand kW	Maximum Net Capability
2005	2,511,552,000	555,384,500	-455,827,000	2,611,109,500	501,000	553,000
2006	2,368,434,000	627,907,900	-357,109,000	2,639,232,900	529,000	579,000
2007	2,830,038,000	476,192,000	-719,077,000	2,587,153,000	512,000	611,000
2008	2,599,420,000	646,850,000	-733,169,000	2,513,101,000	492,000	611,000
2009	2,444,808,000	505,584,800	-575,205,000	2,375,187,800	471,000	593,500
2010	2,590,447,000	525,043,000	-585,246,000	2,530,244,000	501,000	632,500
2011	2,382,961,000	596,205,000	-513,891,000	2,465,275,000	502,000	599,300
2012	1,887,972,000	867,055,000	-329,983,000	2,425,044,000	495,000	747,000
2013	2,252,961,000	525,148,000	-412,638,000	2,365,471,000	454,000	747,000
2014	2,661,052,000	81,518,000	-56,899,000	2,685,671,000	459,000	728,400

NOTES: Generated amounts are net of system usage.
Purchased amounts are net of borderline.
Interchanged amounts include sales for resale which reduces total kilowatts available.
Starting in 2013, BPU's portion of Dogwood's generations is included in the generated amounts.



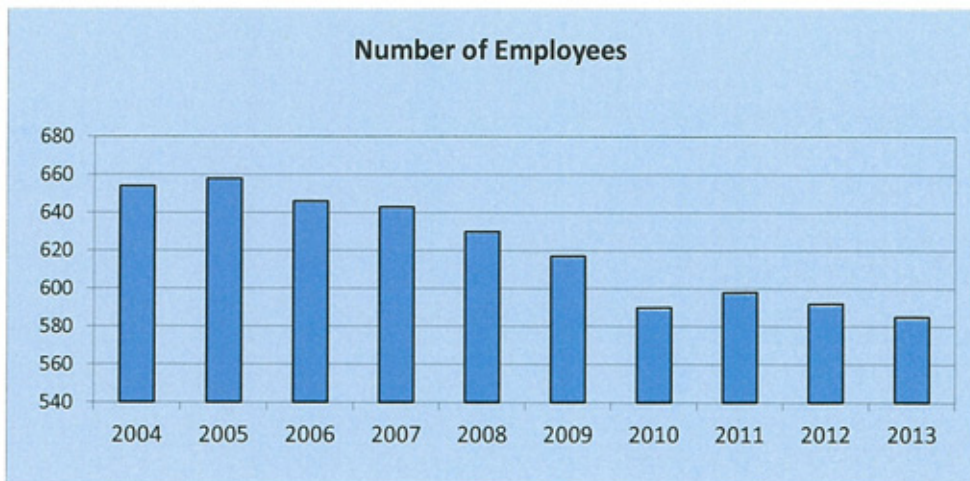
PRINCIPAL CUSTOMERS (Ten year history)				
2005		Revenue	2006	Revenue
Owens Corning Fiberglass (Insulation)	\$	8,633,600	Owens Corning Fiberglass (Insulation)	\$ 9,651,500
CertainTeed Corp. (Insulation)		7,670,300	General Motor's Corp. (Auto Production)	9,347,800
General Motor's Corp. (Auto Production)		6,995,100	CertainTeed Corp. (Insulation)	9,283,300
WaterOne of Johnson County (Water Utility)		4,916,900	WaterOne of Johnson County (Water Utility)	7,236,500
Procter & Gamble Co. (Cleaning Products)		4,486,100	Griffin Wheel (Railroad Wheels)	5,468,500
Univ. of Kansas Medical Ctr. (Hospital)		4,333,900	Univ. of Kansas Medical Ctr. (Hospital)	4,860,400
USD#500 KCK (Public School Dist.)		3,926,300	USD#500 KCK (Public School Dist.)	4,649,700
Griffin Wheel (Railroad Wheels)		3,745,100	Procter & Gamble Co. (Cleaning Products)	4,648,100
Colgate Palmolive Co. (Soap Manufacturer)		1,630,200	Magellan Pipeline Company (Petroleum Pipeline)	1,879,354
ConAgra (Food Manufacturer)		1,511,900	Constar Plastics (Plastic Containers)	1,862,998
2007		Revenue	2008	Revenue
General Motor's (Auto Production)	\$	8,013,000	General Motor's (Auto Production)	\$ 8,636,200
Owens Corning Fiberglass (Insulation)		6,713,100	Owens Corning Fiberglass (Insulation)	8,114,700
CertainTeed Corp. (Insulation)		6,227,200	Univ. of Kansas Medical Ctr. (Hospital)	6,577,700
WaterOne of Johnson County (Water Utility)		4,928,200	CertainTeed Corp. (Insulation)	5,120,500
Univ. of Kansas Medical Ctr. (Hospital)		4,493,400	Griffin Wheel (Railroad Wheels)	4,819,500
Griffin Wheel (Railroad Wheels)		4,344,100	WaterOne of Johnson County (Water Utility)	4,557,700
Procter & Gamble Co. (Cleaning Products)		4,246,200	Procter & Gamble Co. (Cleaning Products)	4,539,400
Constar Plastics (Plastic Containers)		1,694,200	Sunshine Biscuit (Food Manufacturer)	1,798,000
GNB Battery (Battery Manufacturer)		1,679,300	Burlington Northern/Sante Fe (Railroad)	1,785,000
Burlington Northern/Sante Fe (Railroad)		1,663,400	GNB Battery (Battery Manufacturer)	1,649,300
2009		Revenue	2010	Revenue
Owens Corning Fiberglass (Insulation)	\$	8,411,448	General Motor's (Auto Production)	\$ 9,175,537
General Motor's (Auto Production)		7,775,949	Owens Corning Fiberglass (Insulation)	7,616,293
CertainTeed Corp. (Insulation)		4,980,249	CertainTeed Corp. (Insulation)	4,839,908
Procter & Gamble Co. (Cleaning Products)		4,678,197	Griffin Wheel (Railroad Wheels)	3,987,251
Griffin Wheel (Railroad Wheels)		4,131,327	Procter & Gamble Co. (Cleaning Products)	3,720,138
Univ. of Kansas Medical Ctr. (Hospital)		3,849,712	WaterOne of Johnson County (Water Utility)	3,643,474
WaterOne of Johnson County (Water Utility)		3,394,275	Univ. of Kansas Hospital Authority (Hospital)	3,455,220
Univ. of Kansas Hospital Authority (Hospital)		3,224,570	Univ. of Kansas Medical Center (Hospital)	2,679,192
Magellan Pipeline Company (Petroleum Pipeline)		1,866,769	Constar Plastics (Plastic Containers)	1,666,777
Burlington Northern/Sante Fe (Railroad)		1,855,297	Magellan Pipeline Company (Petroleum Pipeline)	1,642,803
2011		Revenue	2012	Revenue
General Motor's (Auto Production)	\$	10,095,840	General Motor's (Auto Production)	\$ 11,109,840
CertainTeed Corp. (Insulation)	\$	6,959,810	WaterOne of Johnson County (Water Utility)	\$ 6,403,823
Owens Corning Fiberglass (Insulation)	\$	5,345,680	CertainTeed Corp. (Insulation)	\$ 5,991,417
Griffin Wheel (Railroad Wheels)	\$	5,183,123	Owens Corning Fiberglass (Insulation)	\$ 5,880,369
WaterOne of Johnson County (Water Utility)	\$	4,744,739	Griffin Wheel (Railroad Wheels)	\$ 5,568,105
Univ. of Kansas Hospital Authority (Hospital)	\$	3,979,728	Univ. of Kansas Hospital Authority (Hospital)	\$ 4,786,604
Procter & Gamble Co. (Cleaning Products)	\$	3,912,967	Procter & Gamble Co. (Cleaning Products)	\$ 4,584,365
Univ. of Kansas Medical Center (Hospital)	\$	3,406,181	Univ. of Kansas Medical Center (Hospital)	\$ 4,060,018
Sara Lee Foods Corporation (Packaged Foods)	\$	1,770,958	Sara Lee Foods Corporation (Packaged Foods)	\$ 2,303,146
Magellan Pipeline Company (Petroleum Pipeline)	\$	1,731,142	Keebler Company (Food Manufacturer)	\$ 2,024,924
2013		Revenue	2014	Revenue
General Motor's (Auto Production)	\$	9,270,426	General Motor's (Auto Production)	\$ 11,111,432
Griffin Wheel (Railroad Wheels)	\$	5,630,110	Griffin Wheel (Railroad Wheels)	\$ 6,616,049
Owens Corning Fiberglass (Insulation)	\$	5,399,261	Owens Corning Fiberglass (Insulation)	\$ 5,787,124
WaterOne of Johnson County (Water Utility)	\$	5,058,926	WaterOne of Johnson County (Water Utility)	\$ 5,086,239
Univ. of Kansas Hospital Authority (Hospital)	\$	4,338,344	Univ. of Kansas Hospital Authority (Hospital)	\$ 4,582,043
CertainTeed Corp. (Insulation)	\$	4,070,531	CertainTeed Corp. (Insulation)	\$ 4,168,566
Univ. of Kansas Medical Center (Hospital)	\$	3,933,091	Univ. of Kansas Medical Center (Hospital)	\$ 4,128,363
Procter & Gamble Co. (Cleaning Products)	\$	3,900,600	Procter & Gamble Co. (Cleaning Products)	\$ 3,581,800
Magellan Pipeline Company (Petroleum Pipeline)	\$	2,018,430	Magellan Pipeline Company (Petroleum Pipeline)	\$ 2,277,962
Sara Lee Foods Corporation (Packaged Foods)	\$	1,958,357	Keebler Company (Food Manufacturer)	\$ 2,088,604

Employee Data

Last Ten Fiscal Year

Fiscal Year	Salaries	Employee Benefits and Payroll Taxes (1)	Total Salary And Benefits (2)	Number of Employees As of December 31, (3)
2004	\$ 42,828,183	\$ 23,675,917	\$ 59,620,450	654
2005	\$ 44,713,512	\$ 25,027,720	\$ 62,554,049	658
2006	\$ 46,424,254	\$ 27,000,469	\$ 65,114,208	646
2007	\$ 48,138,161	\$ 27,744,880	\$ 67,634,617	643
2008	\$ 50,389,000	\$ 27,197,277	\$ 68,694,751	630
2009	\$ 50,111,000	\$ 29,879,099	\$ 70,923,124	617
2010	\$ 49,253,884	\$ 28,047,842	\$ 68,758,964	590
2011	\$ 50,254,375	\$ 29,605,619	\$ 71,778,420	598
2012	\$ 51,356,748	\$ 39,509,248	\$ 82,877,013	592
2013	\$ 50,791,860	\$ 24,823,381	\$ 67,604,414	585
2014	\$ 50,128,257	\$ 28,327,841	\$ 70,156,566	556

- (1) Includes compensated absences that are also included in salaries
- (2) Excludes paid time not worked.
- (3) Excludes temporary employees and employees on long-term disability.



UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Population		Personal Income <i>(thousands of dollars)</i>		Per Capita Personal Income	Public School Enrollment	Unemployment Rate
2005	153,700	(1)	\$ 3,742,504	(3)	\$ 24,246	28,059	8.8%
2006	152,900	(1)	\$ 3,970,858	(3)	\$ 25,837	27,970	7.6%
2007	153,454	(1)	\$ 4,223,792	(3)	\$ 27,380	27,877	7.4%
2008	154,233	(1)	\$ 4,415,768	(3)	\$ 28,472	27,867	7.7%
2009	155,499	(1)	\$ 4,310,940	(3)	\$ 27,561	28,538	11.1%
2010	157,505	(2)	\$ 4,420,281	(3)	\$ 28,010	28,455	10.3%
2011	157,990	(1)	\$ 4,562,495	(3)	\$ 28,836	28,462	9.7%
2012	159,175	(1)	\$ 4,875,180	(3)	\$ 30,637	29,284	8.7%
2013	160,384	(1)	\$ 5,036,061	(3)	\$ 31,566	29,753	8.3%
2014	161,636	(1)	\$ 4,945,590	(4)	\$ 30,716	30,200	6.9%

Includes Kansas City Kansas #500, Turner #202, Piper #203, Bonner Springs #204

Notes:

¹ U.S. Dept of Commerce, Bureau of Census, Local Population Estimates, revisions post-2010 Census data release.

² 2010 U.S. Census Counts

³ Bureau of Economic Analysis

⁴ Estimates based on trends

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	<u>Fiscal Year 2014</u>			<u>Fiscal Year 2005</u>	
	<u>Employees in County (Employment Range)</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees in County (Employment Range)</u>	<u>Rank</u>
Kansas University Hospital	4500-5000	1	6.80%	2500-3499	4
University of Kansas Medical Center	3500-4000	2	4.12%	2500-3499	6
General Motors Corporation	3500-4000	3	4.01%	2500-3499	3
Kansas City, KS School District #500	3000-3500	4	3.85%	3500-4000	1
Burlington Northern/Santa Fe Railroad	2500-3000	5	2.83%	2500-3499	2
Cerner	1000-2499	6	2.75%	-	-
Unified Government of Wyandotte Co/KCK	1000-2499	7	2.63%	2500-3499	5
Associated Grocers	1000-2499	8	1.35%	1000-2499	7
Providence Medical Center	1000-2499	9	1.34%	1000-2499	8
Nebraska Furniture Mart	1000-2499	10	1.29%	750-999	9
United Parcel Service	-	-	-	750-999	10
	<u>27,316</u>		<u>30.97%</u>	<u>-</u>	

Source: Unified Government of Wyandotte County.

UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
RATIOS OF OUTSTANDING DEBT
Last Ten Fiscal Years

Fiscal Year	Revenue Bonds	Capital Leases	Revolving Loan	Total Debt ¹	Percentage of Personal Income ²	Per Capita ²
2005	344,780,565	7,965,358	17,076,082	369,822,005	9.9%	\$ 2,406
2006	333,954,975	3,342,010	20,471,208	357,768,193	9.0%	\$ 2,340
2007	323,001,990	1,738,066	23,690,167	348,430,223	8.2%	\$ 2,271
2008	313,043,225	1,018,921	22,707,905	336,770,051	7.6%	\$ 2,184
2009	363,881,515	650,042	21,710,900	386,242,457	9.0%	\$ 2,484
2010	355,430,000	367,952	20,717,121	376,515,073	8.5%	\$ 2,390
2011	421,100,000	74,989	19,813,666	440,988,655	9.7%	\$ 2,791
2012	479,735,000	-	18,788,619	498,523,619	10.2%	\$ 3,132
2013	462,765,000	321,746	27,585,940	490,672,686	9.7%	\$ 3,059
2014	547,730,000	600,092	32,448,862	580,778,954	11.7%	\$ 3,593

¹ Details regarding outstanding debt can be found in the notes to the financial statements.

² Population and personal income data can be found in the Demographic Schedule.

Operating Information





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**Electric Rates
2006 thru 2014**

	May-06		Jan-07		Jul-10		Jan-11		Jan-12		Jan-13	
	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
Residential												
Rate Code 100												
Customer Charge	\$ 6.43	\$ 6.43	\$ 6.60	\$ 6.60	\$ 7.06	\$ 7.06	\$ 13.00	\$ 13.00	\$ 14.50	\$ 14.50	\$ 16.00	\$ 16.00
Energy Charge:												
First 1,000 kWh	0.0548	0.0548	0.0563	0.0563	0.0602	0.0602	0.0640	0.0495	0.0679	0.0526	0.0724	0.0561
Next 1,000 kWh	0.0655	0.0259	0.0672	0.0266	0.0719	0.0285	0.0750	0.0480	0.0796	0.0510	0.0848	0.0543
All Additional kWh	0.0966	0.0259	0.0992	0.0266	0.1061	0.0285	0.0940	0.0480	0.0998	0.0510	0.1063	0.0543
Residential Electric Heating												
Rate Code 101 (Started Jan-2011)												
Customer Charge							13.00	13.00	14.50	14.50	16.00	16.00
Energy Charge:												
First 1,000 kWh							0.0640	0.0495	0.0679	0.0526	0.0724	0.0561
Next 1,000 kWh							0.0750	0.0350	0.0796	0.0372	0.0848	0.0396
All Additional kWh							0.0940	0.0300	0.0998	0.0319	0.1063	0.0340
Small General Service												
Rate Code 200												
Customer Charge	16.07	16.07	16.50	16.50	17.66	17.66	25.00	25.00	27.50	27.50	30.00	30.00
Energy Charge:												
First 3,500 kWh	0.0630	0.0630	0.0708	0.0708	0.0758	0.0758	0.0760	0.0660	0.0808	0.0702	0.0857	0.0745
All Additional kWh	0.0109	0.0109	0.0112	0.0112	0.0120	0.0120	0.0320	0.0220	0.0340	0.0234	0.0361	0.0248
Facilities Charge:												
Secondary Service	2.41	2.41	2.47	2.47	2.64	2.64	2.40	2.40	2.55	2.55	2.71	2.71
Primary Service	1.26	1.26	1.29	1.29	1.38	1.38	1.90	1.90	2.02	2.02	2.14	2.14
Demand Charge:												
First 10 kW	5.89	No Charge	6.05	No Charge	6.47	No Charge	6.50	No Charge	6.91	No Charge	7.33	No Charge
All Additional kW	5.89	No Charge	6.05	No Charge	6.47	No Charge	6.50	No Charge	6.91	No Charge	7.33	No Charge
*Metering Adjustment:												
Primary	-2.30%	-2.30%	NA	NA	NA	NA	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%
Secondary	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Customers without Demand Meters	0.0762	0.0762	0.0762	0.0762	0.0815	0.0815	0.0910	0.0840	0.0967	0.0893	0.1026	0.0947
All kWh	0.0762	0.0762	0.0762	0.0762	0.0815	0.0815	0.0910	0.0840	0.0967	0.0893	0.1026	0.0947
Medium General Service Rate												
Rate Code 250 (Started Jan-2011)												
Customer Charge							55.00	55.00	60.00	60.00	65.00	65.00
Energy Charge:												
First 300 kWh per kW							0.0450	0.0350	0.0473	0.0368	0.0495	0.0385
All Additional kWh							0.0150	0.0130	0.0158	0.0137	0.0165	0.0143
Facilities Charge:												
Secondary Service							2.96	2.96	3.11	3.11	3.26	3.26
Primary Service							2.34	2.34	2.46	2.46	2.58	2.58
Demand Charge:												
All Additional kW							6.55	6.55	6.88	6.88	7.21	7.21
*Metering Adjustment:												
Primary							NA	NA	NA	NA	NA	NA
Secondary							2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

*Metering Adjustment:
For years 2006-2010 when a meter was installed, which did not compensate for transformer losses, the customer's total bill, including any adjustments, was adjusted according to the percentages. For years 2011-Current when a meter is installed which does not compensate for transformer losses, the customer's metered kWh and kW is adjusted according to the percentages.

Notes:
Source: Board of Public Utilities approved rate tariffs.
Rate Component Information Available for 2006-2014
Years represented are for years with rate tariff adjustments.

**Electric Rates
2006 thru 2014**

	May-06		Jan-07		Jul-10		Jan-11		Jan-12		Jan-13	
	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
Large General Service Rate												
Rate Code 300	37.49	37.49	38.48	38.48	41.17	41.17	120.00	120.00	130.00	130.00	140.00	140.00
Customer Charge	0.0338	0.0338	0.0347	0.0347	0.0371	0.0371	0.0390	0.0390	0.0413	0.0413	0.0436	0.0436
Energy Charge:	0.0099	0.0099	0.0102	0.0102	0.0109	0.0109	0.0130	0.0130	0.0138	0.0138	0.0146	0.0146
First 300 kWh per kW												
All Additional kWh	2.36	2.36	2.42	2.42	2.59	2.59	2.96	2.96	3.13	3.13	3.3	3.3
Facilities Charge:	1.23	1.23	1.26	1.26	1.35	1.35	2.34	2.34	2.48	2.48	2.62	2.62
Secondary Service												
Primary Service	5.62	5.62	5.77	5.77	6.17	6.17	7.55	7.55	7.99	7.99	8.43	8.43
Demand Charge:												
All Additional kW	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
*Metering Adjustment:	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Primary												
Large Power Service Rate												
Rate Code 400	107.10	107.10	109.94	109.94	117.64	117.64	250.00	250.00	275.00	275.00	300.00	300.00
Customer Charge	0.0198	0.0198	0.0203	0.0203	0.0217	0.0217	0.0214	0.0214	0.0231	0.0231	0.0249	0.0249
Energy Charge:	0.0098	0.0098	0.0101	0.0101	0.0108	0.0108	0.0102	0.0102	0.0110	0.0110	0.0119	0.0119
First 300 kWh per kW												
All Additional kWh	2.36	2.36	2.42	2.42	2.59	2.59	2.42	2.42	2.62	2.62	2.83	2.83
Facilities Charge:	1.23	1.23	1.26	1.26	1.35	1.35	1.93	1.93	2.09	2.09	2.25	2.25
Secondary Service												
Primary Service	0.37	0.37	0.38	0.38	0.41	0.41	0.73	0.73	0.79	0.79	0.85	0.85
Substation Service												
Demand Charge:	6.64	6.64	6.82	6.82	7.30	7.30	7.94	7.94	8.59	8.59	9.26	9.26
All Additional kW												
*Metering Adjustment:	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Primary	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Secondary	-3.8%	-3.8%	-3.8%	-3.8%	-3.8%	-3.8%	-2.8%	-2.8%	-2.8%	-2.8%	-2.8%	-2.8%
Substation Service	-4.3%	-4.3%	-4.3%	-4.3%	-4.3%	-4.3%	-3.3%	-3.3%	-3.3%	-3.3%	-3.3%	-3.3%
Transmission												
Average Energy Rate Component (ERC)	0.03256	0.02445	0.02896	0.03102	0.02761	0.03445	0.03038	0.03490				
Environmental Surcharge (ESC)												
Rate Code 100 (kWh)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Rate Code 200 (kWh)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Rate Code 250 (kW)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Rate Code 300 (kW)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Rate Code 400 (kW)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Rate Code USD500 (kWh)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Metering Adjustment:
For years 2006-2010 when a meter was installed, which did not compensate for transformer losses, the customer's total bill, including any adjustments, was adjusted according to the percentages. For years 2011-Current when a meter is installed which does not compensate for transformer losses, the customer's metered kWh and kW is adjusted according to the percentages.

Notes:
Source: Board of Public Utilities approved rate tariffs.
Rate Component Information Available for 2006-2014
Years represented are for years with rate tariff adjustments.

**Water Rates
2006 thru 2014**

Meter Size	May-06		Jan-07		Jan-08		Jul-10		Jan-11		Jan-12		Jan-13	
	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City	Inside City	Outside City
5/8"	\$ 11.85	\$ 12.03	\$ 12.20	\$ 12.39	\$ 12.69	\$ 12.89	\$ 13.65	\$ 13.65	\$ 15.55	\$ 17.50	\$ 17.50	\$ 17.50	\$ 19.35	\$ 19.35
3/4"	12.30	12.51	12.67	12.89	13.18	13.40	16.60	16.60	18.95	21.30	21.30	21.30	23.55	23.55
1"	14.26	14.55	14.69	14.99	15.27	15.59	20.70	20.70	23.60	26.55	26.55	26.55	29.35	29.35
1.5"	19.21	19.75	19.79	20.34	20.58	21.16	32.50	32.50	37.00	41.60	41.60	41.60	46.00	46.00
2"	25.16	25.99	25.91	26.77	26.95	27.84	44.20	44.20	50.40	56.70	56.70	56.70	62.60	62.60
3"	43.96	45.74	45.28	47.11	47.09	49.00	96.00	96.00	109.50	123.00	123.00	123.00	136.00	136.00
4"	68.72	71.75	70.78	73.90	73.62	76.86	154.50	154.50	176.00	198.00	198.00	198.00	219.00	219.00
6"	133.08	135.16	137.07	139.22	142.55	144.78	301.00	301.00	343.00	386.00	386.00	386.00	427.00	427.00
8"	187.53	190.47	193.16	196.18	200.89	204.03	449.00	449.00	512.00	575.00	575.00	575.00	635.00	635.00
10"	296.44	301.08	305.33	310.11	317.55	322.52	596.00	596.00	679.00	763.00	763.00	763.00	843.00	843.00
12" and Larger	433.49	440.28	446.50	453.49	464.36	471.63	682.00	682.00	778.00	875.00	875.00	875.00	967.00	967.00
Monthly Customer Access Charge														
5/8"	11.85	22.74	12.20	23.42	12.69	24.36	13.98	25.57	15.90	17.87	17.87	21.92	19.74	19.74
3/4"	25.02	32.86	25.77	33.85	26.80	35.20	32.16	38.78	35.49	38.60	38.60	40.80	41.83	41.83
1"	34.63	49.30	35.67	50.77	37.10	52.81	45.33	56.67	49.78	53.90	53.90	58.03	58.22	58.22
1.5"	62.31	85.92	64.18	88.50	66.74	92.04	80.99	98.45	88.35	100.63	100.63	101.39	101.77	101.77
2"	93.37	135.28	96.17	139.34	100.02	144.92	121.21	151.18	131.84	153.02	153.02	152.42	150.51	150.51
3"	168.32	244.98	173.37	252.33	180.31	262.43	231.21	289.41	252.34	293.17	293.17	293.18	289.51	289.51
4"	271.65	404.06	279.80	416.18	290.99	432.83	372.64	473.62	406.33	477.25	477.25	473.39	465.99	465.99
6"	539.33	761.17	555.51	784.00	577.73	815.36	734.48	900.35	800.51	917.17	917.17	920.56	916.71	916.71
8"	851.59	1,072.63	877.14	1,104.81	912.23	1,149.00	1,172.03	1,291.92	1,274.98	1,359.40	1,359.40	1,409.43	1,451.07	1,451.07
10"	1,279.74	1,695.55	1,318.13	1,746.42	1,370.86	1,816.28	1,681.32	1,927.22	1,824.19	1,997.03	1,997.03	2,038.82	2,067.43	2,067.43
12" and Larger	1,649.71	2,479.44	1,699.20	2,553.83	1,767.17	2,655.98	2,030.68	2,625.77	2,201.03	2,349.25	2,349.25	2,565.81	2,488.27	2,488.27
Monthly Minimum Bill														
0 to 7	2.762	3.057	2.845	3.149	2.959	3.275	3.310	3.310	3.520	3.680	3.680	3.680	3.890	3.890
8 to 160	2.749	3.057	2.832	3.149	2.945	3.275	2.910	2.910	3.070	3.180	3.180	3.180	3.280	3.280
161 to 2000	2.643	3.057	2.696	3.149	2.750	3.275	2.910	2.910	3.070	3.180	3.180	3.180	3.280	3.280
2001 to 8000	1.983	3.057	2.023	3.149	2.053	3.275	2.063	2.063	2.060	2.450	2.450	2.450	3.030	3.030
All over 8000	1.269	3.057	1.294	3.149	1.320	3.275	1.620	1.620	1.990	2.450	2.450	2.450	3.030	3.030
Private Fire Protection Rates														
2"	7.04	7.04	7.49	7.49	7.97	7.97	7.97	7.97	7.97	7.97	7.97	7.97	7.97	7.97
4"	18.05	18.05	19.21	19.21	20.44	20.44	20.44	20.44	20.44	20.44	20.44	20.44	20.44	20.44
6"	44.04	44.04	46.86	46.86	49.86	49.86	49.86	49.86	49.86	49.86	49.86	49.86	49.86	49.86
8"	88.51	88.51	94.18	94.18	100.21	100.21	100.21	100.21	100.21	100.21	100.21	100.21	100.21	100.21
10"	155.42	155.42	165.36	165.36	175.95	175.95	175.95	175.95	175.95	175.95	175.95	175.95	175.95	175.95
12" and Larger	248.30	248.30	264.19	264.19	281.10	281.10	281.10	281.10	281.10	281.10	281.10	281.10	281.10	281.10

Notes:
Source: Board of Public Utilities approved rate tariffs.
Rate Component Information Available for 2006-2014
Years represented are for years with rate tariff adjustments.

**Capital Operating Indicators
LAST 10 FISCAL YEARS**

Water System:	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Miles of Water Mains	956.83	962.63	964.33	965.39	963.18	964.75	966.56	965.55	967.55	967.04
Number of New Service Taps	593	554	398	280	129	117	123	117	166	155
Max. Day Pumped (Gallons)	48,650,000	47,870,000	45,470,000	43,640,000	39,050,000	40,250,000	45,860,000	49,270,000	46,450,000	39,880,000
Min. Day Pumped (Gallons)	26,220,000	26,420,000	24,220,000	24,220,000	24,620,000	24,620,000	24,220,000	24,290,000	23,950,000	24,400,000
Max. Rate (MGD)	54	54	54	54	54	54	54	54	54	54
Water Main Breaks	504	599	633	505	457	570	637	736	590	606
Avg daily consumption (gallons)	34,450,000	34,880,000	33,130,000	32,040,000	29,770,000	30,350,000	31,320,000	33,755,000	30,850,000	29,326,000

Source: Various water divisions.

Staffing By Division
2007 - 2014 Budget

Department	2007 Approved	2008 Approved	2009 Approved	2010 Approved	2011 Approved	2012 Approved	2013 Approved	2014 Approved
1000 ES Administration	1	6	6	6	5	4	4	4
1600 Electric System Control	23	22	22	22	22	24	25	25
Total Electric Supply	24	28	28	28	27	28	29	29
1100 EP Administration	11	9	9	9	7	6	6	7
1101 Maintenance and Planning	6	3	3	3	3	3	3	2
1103 EP Engineers Common	3	3	4	4	4	4	5	5
1200 KAW Plant Common	1	1	1	1	1	1	1	1
1301 EP Maintenance-Quindaro	23	23	21	21	20	21	21	21
1302 EP Operations-Quindaro	38	38	38	38	38	38	38	38
1303 EP Engineering - Quindaro	3	3	3	3	3	3	3	3
1401 EP Maintenance-Nearman	22	22	20	20	17	16	16	20
1402 EP Operations-Nearman	35	35	35	35	35	35	35	35
1403 EP Engineering - Nearman	3	2	3	3	3	3	2	2
1500 Common Plant Maintenance	47	46	41	41	45	45	45	38
1700 Environmental Services	6	5	5	5	7	6	6	5
1701 Environmental Air Quality	0	0	0	0	0	3	3	3
Total Electric Production	198	190	183	183	183	184	184	180
1900 EO Administration	2	2	2	2	3	3	4	2
2000 EO Planning	0	0	0	0	0	0	0	4
2100 EO Transmission	89	87	86	87	87	87	86	85
2200 EO Substation / Relay	12	12	12	12	12	12	13	13
2300 Telecommunications	7	7	7	7	7	7	7	7
2410 IT Administration	1	1	1	1	1	1	1	1
2420 Desktop	2	2	2	2	4	6	7	7
2430 Applications	8	8	8	8	12	12	12	12
2500 EO Grounds / Claims	1	1	1	1	2	2	1	1
2600 EO Fleet Maintenance	26	26	24	24	23	23	23	23
2700 EO Electrical Engineering	23	23	24	24	24	24	25	25
2800 EO Elec Meters & Services	25	24	23	23	21	19	16	15
2810 Meter Reading	0	0	0	0	0	16	15	8
2820 Revenue Protection	0	0	0	0	0	4	3	5
2900 EO Traffic Signal	6	6	6	5	5	5	5	5
Total Electric Operations & Technology	202	199	196	196	201	221	218	213
3700 Water Meters/Services	31	31	25	26	26	23	23	24
3900 Maintenance Nearman	7	7	7	7	6	7	6	6
4000 Process Administration	3	2	2	3	3	3	3	3
4100 Laboratory	10	10	10	9	9	9	10	9
4200 WO Mains	27	27	33	33	33	39	39	37
4400 WP Support Services	6	6	6	6	6	6	6	6
4500 Water Administration	2	2	2	1	1	1	1	1
4600 Water Civil Engineering	16	16	15	15	15	15	15	16
4800 Operations Nearman	9	9	8	8	9	8	8	8
Total Water	111	110	108	108	108	111	111	110
5000 Customer Relations	13	13	13	12	12	15	14	14
5100 Cash Operations	8	8	8	8	8	8	8	8
5200 Collections	19	19	19	19	19	19	19	15
5300 Meter Reading - Moved to Electric Ops	28	28	28	27	22	0	0	0
5600 Revenue Protection - Moved to Electric Ops	6	5	5	5	4	0	0	0
5800 CS Administration	6	6	6	6	6	5	6	7
6200 Customer Accounting	8	8	8	8	8	8	8	8
7900 Utility Svcs	3	3	2	2	3	3	3	3
Total Customer Service	91	90	89	87	82	58	58	55
6100 Accounting	18	18	18	18	18	18	18	18
6300 Purchasing	5	5	5	5	4	4	4	4
6400 Stores	27	27	26	26	24	24	24	24
6900 Corp Compliance	0	0	0	0	0	0	3	3
7000 General Managers Office	5	5	5	7	5	7	6	6
7100 Marketing & Corporate Communications	1	1	1	1	2	2	3	3
7200 HR Administration	1	2	1	0	0	0	0	0
7300 Internal Audit	3	3	0	0	0	0	0	0
7400 Employee Relations	6	6	7	5	5	6	6	6
7500 Employment Wage/Salary	4	1	1	1	1	1	1	1
7600 Safety & Security	1	2	2	2	2	2	2	2
7700 Training & Career Development	2	2	1	1	1	1	1	1
8600 Administrative Services	3	3	3	3	3	3	3	3
8700 Image Processing	5	5	5	5	5	5	5	7
8800 Central Mail	2	2	2	2	2	2	2	0
Total Administrative	83	82	77	76	72	75	78	78
Overall Total Number Of Approved Positions	709	699	681	678	673	677	678	665

Source: Board of Public Utilities approved annual budget.

Staffing Information available for 2007-2014.



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