

CITY OF PHILLIPSBURG

Phillipsburg, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2021

MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas 67661

CITY OF PHILLIPSBURG

For the Year Ended December 31, 2021

Bret Miles, Mayor

City Council

Pete Rogers
Vickie Gibbs
Angie Wells

Tracy Sanson
Terry McConnell
Mike James

City Offices

Tiffini Gross
Jordon Boeve

City Clerk
City Treasurer

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

For the Year Ended December 31, 2021

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Phillipsburg, Kansas

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CITY OF PHILLIPSBURG
Phillipsburg, Kansas

For the Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Phillipsburg, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Phillipsburg, Kansas, a Municipal Financial Reporting Entity, as of and for the year ended December 31, 2021 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Phillipsburg, Kansas as of December 31, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Phillipsburg, as of December 31, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City of Phillipsburg, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City of Phillipsburg on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Phillipsburg's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit 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 City of Phillipsburg's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Phillipsburg's, Kansas ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and disbursements – agency funds, and regulatory basis receipts and expenditures – actual – related municipal entity (Schedules 1, 2, 3, and 4, as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The Water and Sewer Utility Allocation and Equipment Reserve Allocation (Schedules 5 and 6 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement nor required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1. The information identified in the table of contents, as unaudited additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we express no opinion on the unaudited information.

Our audit was conducted for the purpose of forming an opinion on the financial statement of the City of Phillipsburg, Kansas. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 1.

Mayor and City Council
City of Phillipsburg, Kansas
September 6, 2022
Page 4

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 6, 2022, on our consideration of the City of Phillipsburg'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 solely 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 the effectiveness of the City of Phillipsburg's 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 City of Phillipsburg's internal control over financial reporting and compliance.

Respectfully submitted,
Mapes & Miller LLP
Certified Public Accountants

September 6, 2022
Phillipsburg, Kansas

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Statement 1
Page 1 of 2

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2021

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund							
General Operating Fund	\$ 220,199	\$ 72,520	\$ 1,197,263	\$ 1,139,044	\$ 350,938	\$ 9,116	\$ 360,054
Special Purpose Funds							
Equipment Reserve Fund	765,338	-	28,632	8,765	785,205	9,666	794,871
Library Fund	3,761	-	67,188	69,688	1,261	-	1,261
Employee Benefit Fund	80,500	-	361,276	305,510	136,266	-	136,266
Special Parks & Recreation Fund	45,972	-	6,846	10,795	42,023	-	42,023
Law Enforcement Fund	-	-	298,250	297,950	300	-	300
Fire Department Fund	87,129	-	65,350	67,949	84,530	1,090	85,620
Special Highway Fund	111,946	-	256,778	348,674	20,050	55,310	75,360
Fire Equipment Capital Outlay Fund	299,598	-	35,561	-	335,159	-	335,159
Industrial Development Fund	68,677	-	17,396	902	85,171	-	85,171
Foundation Grants Fund	8,629	-	3,000	7,960	3,669	-	3,669
Capital Improvements Fund	365,574	-	254,257	39,667	580,164	182	580,346
Partially Self-Funded Health Insurance Fund	-	-	107,286	62,488	44,798	256	45,054
Risk Management Reserve Fund	-	-	20,000	-	20,000	-	20,000
ARPA Grant Fund	-	-	186,632	43,680	142,952	-	142,952
CDBG - CV Grant Fund	-	-	2,024	2,024	-	-	-
Bond & Interest Fund							
Bond & Interest Fund	37,859	-	134,030	151,727	20,162	-	20,162
Capital Projects Fund							
KDOT Airport Project Fund	(306,461)	-	70,683	28,113	(263,891) *	248,520	(15,371)
Airport Grant Fund	(402,916)	16,229	403,012	56,781	(40,456) *	43,100	2,644
KDOT Street Project Fund	(81,753)	-	78,285	-	(3,468) *	3,468	-
Quanz Reservoir Project Fund	(599,805)	-	572,470	8,258	(35,593) *	25,024	(10,569)
CDBG Water Project Fund	(462,669)	-	460,699	168	(2,138) *	-	(2,138)
AMR Water Meter Fund	(83,385)	-	97,985	14,600	-	-	-
Business Funds							
Water & Sewer Utility Fund	1,197,855	-	1,341,232	1,675,659	863,428	370,269	1,233,697
Solid Waste Fund	219,730	-	403,364	404,187	218,907	4,396	223,303
Aquatic Center Fund	218,052	-	548,884	581,296	185,640	180	185,820
Trust Fund							
Endowment Fund	10,329	-	9,022	65	19,286	-	19,286
Related Municipal Entity							
Public Building Commission							
Aquatic Center Bond & Interest Fund	85,618	-	218,987	218,334	86,271	-	86,271
Aquatic Center Capital Project Fund	138,555	-	-	-	138,555	-	138,555
Total Reporting Entity (Excluding Agency Funds)	\$ 2,028,332	\$ 88,749	\$ 7,246,392	\$ 5,544,284	\$ 3,819,189	\$ 770,577	\$ 4,589,766

* See Note 3, Cash Basis Exceptions

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

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Statement 1
Page 2 of 2

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2021

Composition of Cash	
Cash on Hand	\$ 450
Checking Accounts	192,379
NOW Account	672,455
Money Market Account	692,893
Certificates of Deposit	2,840,548
Related Municipal Entity	<u>224,826</u>
Total Cash	4,623,551
Agency Funds Per Schedule 3	<u>(33,785)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 4,589,766</u>

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

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

NOTES TO THE FINANCIAL STATEMENT
December 31, 2021

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Financial Reporting Entity

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

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

(b) Regulatory Basis Fund Types

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities for the City for the year ended December 31, 2021.

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

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

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

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

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

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

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

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

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

(d) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds, and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2021.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

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

Special Purpose Funds:
Equipment Reserve Fund
Foundation Grants Fund
Capital Improvements Fund
Partially Self-Funded Health Insurance Fund
Risk Management Reserve Fund
ARPA Grant Fund
CDBG – CV Grant Fund

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Bond Payments – K.S.A. 10-130 requires the City to remit the bond principal and interest due to the state fiscal agent at least 20 days prior to maturity. The payment on the Series 2011 General Obligation Bond and the payment on the Series 2015 General Obligation Bond were not remitted 20 days prior to maturity.
- B. Cash Basis Violation – K.S.A. 10-1113 requires each fund to comply with the cash basis laws of Kansas. That is, no commitments or indebtedness should be incurred unless there is available cash in the fund. The City's Bond & Interest Fund had a negative cash balance on July 31, 2021.
- C. The City is not aware of any other noncompliance with Kansas statutes.

3. CASH BASIS EXCEPTIONS

- A. Authority is authorized under K.S.A. 74-8905 and the Loan Act to issue revenue bonds for the purpose of providing funds to implement the State's requirements under the Federal Act and to loan the same, together with available funds from the EPA costs. The City had a negative unencumbered cash balance in the Quanz Reservoir Project Fund at December 31, 2021, because the City must expend monies before they can receive the loan proceeds. K.S.A. 10-1116 provides an exception from a cash-basis law violation for the issuance of bonds. The City expended monies with the expectation of monies being reimbursed under conditions of the KDHE loan agreement. The City had \$113,367 still available to draw down as of December 31, 2021.
- B. The City received a Federal Aviation Administration (FAA) Grant. The grant agreement requires the City to expend the monies before they can request reimbursement, which caused the City to have negative unencumbered cash in the Airport Grant Fund at December 31, 2021. K.S.A. 12-1664 provides an exception for a cash basis law violation for the intergovernmental grant funds to expend monies for grant purposes with the expectation of monies to be reimbursed to the City under conditions of the grant award. As of December 31, 2021, the City still had \$40,458 available of grant funds.

- C. The City received a Community Development Block Grant (CDBG). The grant agreement requires the City to expend the monies before they can request reimbursement, which caused the City to have negative unencumbered cash in the CDBG Water Project Fund at December 31, 2021. K.S.A. 12-1664 provides an exception for a cash basis law violation for the intergovernmental grant funds to expend monies for grant purposes with the expectation of monies to be reimbursed to the City under conditions of the grant award. The City had CDBG grant funds available in the amount of \$2,138, as of December 31, 2021.
- D. The City received grants from the Kansas Department of Transportation (KDOT). The grant agreements requires the City to expend the monies before they can request reimbursement, which caused the City to have negative unencumbered cash in the KDOT Street Project Fund and the KDOT Airport Project Fund at December 31, 2021. K.S.A. 12-1664 provides an exception for a cash basis law violation for the intergovernmental grant funds to expend monies for grant purposes with the expectation of monies to be reimbursed to the City under conditions of the grant award. The City had \$263,891 available as of December 31, 2021 from KDOT for the airport project. For the KDOT street project, the City still had \$3,468 available to draw down as of December 31, 2021.

4. DEPOSITS AND INVESTMENTS

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

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2021.

At December 31, 2021, the City's carrying amount of deposits was \$4,623,101 and the bank balance was \$4,625,372. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance \$486,456 was covered by federal depository insurance, and \$4,138,916 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

5. INTERFUND TRANSFERS

A. Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Operating Fund	Law Enforcement Fund	Home Rule Ord. 1404	\$ 298,250
General Operating Fund	Fire Department Fund	Home Rule Ord. 1405	50,000
General Operating Fund	Special Highway Fund	K.S.A. 12-1,119	160,000
General Operating Fund	Risk Management Reserve Fund	K.S.A. 12-2615	20,000
Water & Sewer Utility Fund	Bond & Interest Fund	K.S.A. 12-825d	110,000
Water & Sewer Utility Fund	AMR Water Meter Fund	K.S.A. 12-825d	6,020
Solid Waste Fund	Equipment Reserve Fund	K.S.A. 12-825d	14,032

6. DEFINED BENEFIT PENSION PLAN

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from the City were \$92,049 for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, the City's proportionate share of the collective net pension liability reported by KPERS was \$585,183. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

(b) Death and Disability Other Post Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2021.

(c) Other Employee Benefits

Vacation

All employees of the City, except temporary and part-time employees, accumulate vacation leave at a rate of ten days per year after their first year of employment. The rate of accumulation increases to fifteen days per year after seven years of employment, and twenty days per year after eighteen years of employment. Following the first six months of employment, no more than 150% of accrued vacation days available per year may be carried over from one anniversary date of employment to the next. Employees are paid for all accumulated vacation leave, at their current wage rate, upon termination of employment. As of December 31, 2021, the City owed \$67,640 of accumulated vacation leave to employees.

Sick leave

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

8. RISK MANAGEMENT

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

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

During the year ended December 31, 2021, the City did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

The City pays a monthly fee to Freedom Claims Management for administration of hospital, health care, and prescription claims. Freedom Claims Management acts as a limited agent for the City in receiving and processing claims for benefits under the plan and disbursing claim payments under the plan. Blue Cross Blue Shield will process and pay all eligible claims above a \$7,000 threshold.

9. OPERATING LEASE

The City entered into an amended lease agreement, dated August 5, 2020 with the Public Building Commission, a related municipal entity of the City, to lease the swimming pool recreational facility. The agreement states that the City will, during the term of the lease, keep and maintain the swimming pool facility and all parts in good condition and repair. The lease agreement provides for semi-annual lease payments. The City has imposed a 1% city-wide retailers’ sales tax to cover these payments.

Future minimum rental commitments are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 219,000
2023	215,300
2024	221,600
2025	222,700
2026	223,700
2027-2030	<u>763,400</u>
Total Future Minimum Lease Payments	<u>\$ 1,865,700</u>

10. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
Quanz Reservoir Project	\$ 1,148,674	\$ 1,070,899
AMR Water Meters	\$ 535,329	\$ 535,329
FAA Airport Improvement Project	\$ 541,191	\$ 537,787
KDOT Street Project	\$ 86,056	\$ 86,056
KS Airport Improvement Project	\$ 379,510	\$ 379,427

11. COVID-19 NOTE

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City’s financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021. Future potential impacts may include a decrease in certain revenues, reduced customer traffic and the temporary closure of operating hours of our offices.

As a result of the COVID-19 outbreak, numerous federal and state grants have been made available to the City to assist with the risks and help offset incurred costs of the City.

12. SUBSEQUENT EVENTS

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

The City has been allocated \$373,129 in American Rescue Plan Act (ARPA) funds. These economic stimulus funds are to assist in the long-term recovery from the economic and public health impacts related to the COVID-19 pandemic. The City received the remaining half of the ARPA funds, \$186,656, on June 2022. These funds must be obligated by December 31, 2024.

The City is anticipating a waterline replacement project and campground extension to cost approximately \$923,000 of which a Building A Stronger Economy (BASE) grant has been applied for in the amount of \$673,000. The City plans to provide \$250,000 from ARPA funds.

The City approved a Cost Share Agreement with Kansas Department of Transportation for the construction of the airport runway extension project for approximately \$1,700,000 plus land acquisition costs. The City has been approved for awards of approximately \$225,000 of additional grant funds.

13. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2021, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 1/1/2021	Additions	Reductions/ Payments	Ending Balance 12/31/2021	Interest/ Service Fees Paid
General Obligation Bonds									
2011 General									
Obligation Bonds	2.90%	09/01/11	\$ 245,000	9/1/2021	\$ 30,000	\$ -	\$ 30,000	\$ -	\$ 870
2015 General									
Obligation Bonds	2.4-2.95%	06/01/15	\$ 1,635,000	8/1/2024	215,000	-	50,000	165,000	5,326
Total General Obligation Bonds					245,000	-	80,000	165,000	6,196
KDHE Loans									
Kansas Public Water Supply-Quanz	2.54%	12/20/18	\$ 685,837	2/1/2042	-	572,470	-	572,470 *	521
Kansas Public Water Supply-AMR	1.65%	01/06/20	\$ 535,329	8/1/2030	443,364	91,965	57,861	477,468	7,143
Total KDHE Loans					443,364	664,435	57,861	1,049,938	7,664
Public Building Commission									
Series 2020 Revenue Bonds	2.00%	08/05/20	\$ 1,875,000	10/1/2030	1,875,000	-	175,000	1,700,000	43,334
Total Contractual Indebtedness					\$ 2,563,364	\$ 664,435	\$ 312,861	\$ 2,914,938	\$ 57,194

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

Year	General Obligation Bond		KDHE Loans		Revenue Bond (Public Building Commission)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 55,000	\$ 4,115	\$ 60,223	\$ 1,628	\$ 185,000	\$ 34,000	\$ 300,223	\$ 39,743
2023	55,000	2,791	72,041	1,453	185,000	30,300	312,041	34,544
2024	55,000	1,254	73,429	1,276	195,000	26,600	323,429	29,130
2025	-	-	74,844	4,070	200,000	22,700	274,844	26,770
2026	-	-	76,289	3,390	205,000	18,700	281,289	22,090
2027-2031	-	-	346,605	49,454	730,000	33,400	1,076,605	82,854
2032-2036	-	-	142,562	28,356	-	-	142,562	28,356
2037-2040	-	-	161,738	11,822	-	-	161,738	11,822
2041	-	-	42,207	12,350	-	-	42,207	12,350
	<u>\$ 165,000</u>	<u>\$ 8,160</u>	<u>\$ 1,049,938</u>	<u>\$ 113,799</u>	<u>\$ 1,700,000</u>	<u>\$ 165,700</u>	<u>\$ 2,914,938</u>	<u>\$ 287,659</u>

* The City is authorized to receive loan proceeds of \$685,837. As of December 31, 2021, the City has drawn down \$572,470. \$138,250 of the \$685,837 is expected to be forgiven per the KDHE loan agreement.

CITY OF PHILLIPSBURG, KANSAS
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2021

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund					
General Operating Fund	\$ 1,817,519	\$ -	\$ 1,817,519	\$ 1,139,044	\$ (678,475)
Special Purpose Funds					
Library Fund	72,000	-	72,000	69,688	(2,312)
Employee Benefit Fund	641,464	-	641,464	305,510	(335,954)
Special Parks & Recreation Fund	45,968	-	45,968	10,795	(35,173)
Law Enforcement Fund	325,016	-	325,016	297,950	(27,066)
Fire Department Fund	107,314	-	107,314	67,949	(39,365)
Special Highway Fund	534,888	-	534,888	348,674	(186,214)
Fire Equipment Capital Outlay Fund	215,000	-	215,000	-	(215,000)
Industrial Development Fund	78,780	-	78,780	902	(77,878)
Bond & Interest Fund					
Bond & Interest Fund	223,528	-	223,528	151,727	(71,801)
Business Funds					
Water & Sewer Utility Fund	2,494,456	-	2,494,456	1,675,659	(818,797)
Solid Waste Fund	506,838	-	506,838	404,187	(102,651)
Aquatic Center Fund	654,898	-	654,898	581,296	(73,602)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 473,318	\$ 486,515	\$ (13,197)
Delinquent Tax	9,997	15,000	(5,003)
Motor Vehicle Tax	62,289	81,556	(19,267)
Recreational Vehicle Tax	1,508	1,741	(233)
Excise Tax	18	153	(135)
16/20M Vehicle Tax	1,987	1,914	73
Commercial Vehicle Tax	1,057	2,980	(1,923)
Watercraft Tax	585	509	76
Neighborhood Revitalization Rebate	(9,240)	(8,644)	(596)
Intangibles Tax	29,275	19,087	10,188
Special Assessment	1,215	150	1,065
Local Alcoholic Liquor Tax	6,846	6,472	374
Interest on Idle Funds	7,562	80,000	(72,438)
Franchise Tax	150,414	180,000	(29,586)
Animal Tags	3,192	2,200	992
Federal Grants - FAA	32,000	62,600	(30,600)
Fines	15,372	60,000	(44,628)
Reimbursements	1,291	35,000	(33,709)
Campground Fees	4,865	4,800	65
Local Retailers' Sales Tax	254,257	245,000	9,257
Licenses & Permits	6,110	6,000	110
Miscellaneous	8,100	2,400	5,700
Nonfederal Grants & Gifts	-	100,000	(100,000)
Building Rents	12,522	16,000	(3,478)
Cemetery Lots & Care	13,930	10,000	3,930
Airport Rents & Grains	6,687	10,000	(3,313)
Airport Aviation Gas & Oil	17,260	27,000	(9,740)
Airport Jet Fuel	10,873	2,000	8,873
Airport Courtesy Car	41	100	(59)
Airport Sales Tax Collected	2,532	2,600	(68)
Airport Miscellaneous	31	-	31
Zoning Applications	800	500	300
Transportation Passes	8,306	12,000	(3,694)
Northwest Kansas Transit	60,641	50,000	10,641
Bad Checks/Debt Collected	1,622	-	1,622
Total Receipts	1,197,263	\$ 1,515,633	\$ (318,370)
EXPENDITURES			
General Government			
Personal Services	93,285	\$ 161,000	\$ (67,715)
Contractual Services	42,089	75,000	(32,911)
Commodities	18,130	44,000	(25,870)
Capital Outlay	2,459	108,000	(105,541)
Total General Government	155,963	388,000	(232,037)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Community Building			
Personal Services	\$ 12,694	\$ 15,000	\$ (2,306)
Contractual Serices	17,605	20,000	(2,395)
Commodities	1,861	15,000	(13,139)
Capital Outlay	-	11,519	(11,519)
	32,160	61,519	(29,359)
Municipal Court			
Personal Services	27,212	30,000	(2,788)
Contractual Services	11,936	20,000	(8,064)
Commodities	545	3,000	(2,455)
	39,693	53,000	(13,307)
Park Department			
Personal Services	14,867	21,000	(6,133)
Contractual Services	9,145	11,000	(1,855)
Commodities	8,047	10,000	(1,953)
Capital Outlay	2,440	2,000	440
	34,499	44,000	(9,501)
Cemetery			
Personal Services	19,015	20,000	(985)
Contractual Services	10,357	10,000	357
Commodities	4,294	15,000	(10,706)
Capital Outlay	2,440	4,000	(1,560)
	36,106	49,000	(12,894)
Street Lighting			
Contractual Services	52,301	55,000	(2,699)
Airport			
Personal Services	25,939	19,000	6,939
Contractual Services	24,222	43,000	(18,778)
Commodities	42,458	45,000	(2,542)
Capital Outlay	65	157,000	(156,935)
	92,684	264,000	(171,316)
Planning Department			
Contractual Services	2,673	2,000	673

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Transportation Department			
Personal Services	\$ 43,397	\$ 43,000	\$ 397
Contractual Services	6,599	10,000	(3,401)
Commodities	4,486	11,000	(6,514)
Capital Outlay	-	10,000	(10,000)
Total Transportation Department	54,482	74,000	(19,518)
Library Support			
Personal Services	5,127	10,000	(4,873)
Contractual Services	37,861	38,000	(139)
Commodities	556	3,000	(2,444)
Capital Outlay	-	3,000	(3,000)
Total Library Support	43,544	54,000	(10,456)
Beautification			
Personal Services	7,919	7,500	419
Contractual Services	-	2,000	(2,000)
Commodities	1,579	4,000	(2,421)
Capital Outlay	5,048	-	5,048
Total Beautification	14,546	13,500	1,046
Shade Tree			
Contractual Services	1,150	2,000	(850)
Commodities	-	1,500	(1,500)
Total Shade Tree	1,150	3,500	(2,350)
Armory			
Personal Services	8,907	6,000	2,907
Contractual Services	15,702	20,000	(4,298)
Commodities	694	8,000	(7,306)
Capital Outlay	-	10,000	(10,000)
Total Armory	25,303	44,000	(18,697)
Concrete Improvements			
Commodities	13,787	20,000	(6,213)
Code Enforcement			
Personal Services	3,529	3,000	529
Contractual Services	2,520	4,000	(1,480)
Commodities	464	1,000	(536)
Total Code Enforcement	6,513	8,000	(1,487)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Animal Control			
Personal Services	\$ 4,259	\$ 1,500	\$ 2,759
Contractual Services	335	1000	
Commodities	796	1,500	(704)
Total Animal Control	<u>5,390</u>	<u>4,000</u>	<u>1,390</u>
Miscellaneous	<u>-</u>	<u>55,000</u>	<u>(55,000)</u>
Outgoing Transfers			
Law Enforcement Fund	298,250	305,000	(6,750)
Fire Department Fund	50,000	50,000	-
Special Highway Fund	160,000	190,000	(30,000)
Equipment Reserve Fund	-	80,000	(80,000)
Risk Management Reserve Fund	20,000	-	20,000
Total Outgoing Transfers	<u>528,250</u>	<u>625,000</u>	<u>(96,750)</u>
Total Expenditures	<u>1,139,044</u>	<u>\$ 1,817,519</u>	<u>\$ (678,475)</u>
Receipts Over (Under) Expenditures	58,219		
UNENCUMBERED CASH, January 1, 2021	220,199		
Prior Year Cancelled Encumbrances	<u>72,520</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 350,938</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2021

EQUIPMENT RESERVE FUND

	<u>Actual</u>
RECEIPTS	
Reimbursement	\$ 14,600
Incoming Transfer	
Solid Waste Fund	<u>14,032</u>
Total Receipts	<u>28,632</u>
EXPENDITURES	
Capital Outlay	<u>8,765</u>
Receipts Over (Under) Expenditures	19,867
UNENCUMBERED CASH, January 1, 2021	<u>765,338</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ 785,205</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

LIBRARY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 58,606	\$ 60,237	\$ (1,631)
Delinquent Tax	1,318	2,500	(1,182)
Motor Vehicle Tax	7,767	10,181	(2,414)
Recreational Vehicle Tax	188	217	(29)
Excise Tax	2	10	(8)
16/20M Vehicle Tax	246	239	7
Commercial Vehicle Tax	132	372	(240)
Watercraft Tax	73	64	9
Neighborhood Revitalization Rebate	(1,144)	(1,079)	(65)
	<u>67,188</u>	<u>\$ 72,741</u>	<u>\$ (5,553)</u>
EXPENDITURES			
Appropriation to Library Board	<u>69,688</u>	<u>\$ 72,000</u>	<u>\$ (2,312)</u>
Receipts Over (Under) Expenditures	(2,500)		
UNENCUMBERED CASH, January 1, 2021	<u>3,761</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 1,261</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

EMPLOYEE BENEFIT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 174,255	\$ 179,122	\$ (4,867)
Delinquent Tax	3,438	7,500	(4,062)
Motor Vehicle Tax	18,030	23,715	(5,685)
Recreational Vehicle Tax	437	506	(69)
Excise Tax	5	43	(38)
16/20M Vehicle Tax	559	557	2
Commercial Vehicle Tax	307	866	(559)
Watercraft Tax	170	148	22
Neighborhood Revitalization Rebate	(3,402)	(2,514)	(888)
Employee/Employer Contributions	165,810	336,000	(170,190)
Miscellaneous	480	2,000	(1,520)
Reimbursements	1,187	2,200	(1,013)
	<u>361,276</u>	<u>\$ 550,143</u>	<u>\$ (188,867)</u>
EXPENDITURES			
Social Security & Medicare	42,060	\$ 100,000	\$ (57,940)
Retirement	51,760	104,255	(52,495)
Workman's Compensation	26,603	40,000	(13,397)
Unemployment Insurance	506	7,000	(6,494)
Life & Disability Insurance	1,728	6,000	(4,272)
Account Administration	615	4,000	(3,385)
Health Savings Account Contribution	500	-	500
Health Insurance	176,298	380,209	(203,911)
Other Insurance Premium	5,440	-	5,440
	<u>305,510</u>	<u>\$ 641,464</u>	<u>\$ (335,954)</u>
Receipts Over (Under) Expenditures	55,766		
UNENCUMBERED CASH, January 1, 2021	<u>80,500</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 136,266</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

SPECIAL PARKS & RECREATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Alcoholic Liquor Tax	\$ 6,846	\$ 6,472	\$ 374
Nonfederal Grants & Gifts	-	250	(250)
Total Receipts	<u>6,846</u>	<u>\$ 6,722</u>	<u>\$ 124</u>
EXPENDITURES			
Contractual Services	800	\$ 20,000	\$ (19,200)
Commodities	1,031	4,500	(3,469)
Capital Outlay	8,964	21,468	(12,504)
Total Expenditures	<u>10,795</u>	<u>\$ 45,968</u>	<u>\$ (35,173)</u>
Receipts Over (Under) Expenditures	(3,949)		
UNENCUMBERED CASH, January 1, 2021	<u>45,972</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 42,023</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2021

LAW ENFORCEMENT FUND

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
RECEIPTS			
Incoming Transfer			
General Operating Fund	\$ 298,250	<u>\$ 305,000</u>	<u>\$ (6,750)</u>
EXPENDITURES			
Contractual Services	<u>297,950</u>	<u>\$ 325,016</u>	<u>\$ (27,066)</u>
Receipts Over (Under) Expenditures	300		
UNENCUMBERED CASH, January 1, 2021	<u>-</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 300</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

FIRE DEPARTMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other City Fire Receipts	\$ 579	\$ -	\$ 579
Rural Fire Contracts	14,192	17,000	(2,808)
Office & Building Rent	-	-	-
Miscellaneous	579	-	579
Incoming Transfer			
General Operating Fund	50,000	50,000	-
	<u>65,350</u>	<u>\$ 67,000</u>	<u>\$ (1,650)</u>
EXPENDITURES			
City Fire Department			
Personal Services	4,335	\$ 6,000	\$ (1,665)
Contractual Services	9,593	16,000	(6,407)
Commodities	17,692	16,000	1,692
Capital Outlay	-	15,000	(15,000)
Rural Fire Department			
Contractual Services	10,363	11,000	(637)
Commodities	25,966	20,314	5,652
Capital Outlay	-	23,000	(23,000)
	<u>67,949</u>	<u>\$ 107,314</u>	<u>\$ (39,365)</u>
Receipts Over (Under) Expenditures	(2,599)		
UNENCUMBERED CASH, January 1, 2021	<u>87,129</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 84,530</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2021

SPECIAL HIGHWAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Highway Connecting Links	\$ 24,773	\$ 24,790	\$ (17)
Special Highway Tax	70,610	56,780	13,830
Sale of Equipment	1,238	5,000	(3,762)
Sales Tax Collected	82	300	(218)
Reimbursements	60	-	60
Miscellaneous	15	5,000	(4,985)
Incoming Transfer			
General Operating Fund	160,000	190,000	(30,000)
Total Receipts	256,778	\$ 281,870	\$ (25,092)
EXPENDITURES			
Operating			
Personal Services	99,650	\$ 130,000	\$ (30,350)
Contractual Services	54,348	120,000	(65,652)
Commodities	44,820	112,000	(67,180)
Capital Outlay	144,005	147,888	(3,883)
Administration			
Personal Services	5,551	25,000	(19,449)
Commodities	300	-	300
Total Expenditures	348,674	\$ 534,888	\$ (186,214)
Receipts Over (Under) Expenditures	(91,896)		
UNENCUMBERED CASH, January 1, 2021	111,946		
UNENCUMBERED CASH, December 31, 2021	\$ 20,050		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

FIRE EQUIPMENT CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 23,442	\$ 24,094	\$ (652)
Delinquent Tax	527	1,100	(573)
Motor Vehicle Tax	3,107	4,073	(966)
Recreational Vehicle Tax	75	87	(12)
Excise Tax	1	8	(7)
16/20M Vehicle Tax	99	96	3
Commercial Vehicle Tax	53	149	(96)
Watercraft Tax	29	25	4
Neighborhood Revitalization Rebate	(457)	(432)	(25)
Nonfederal Grants & Gifts	8,685	5,000	3,685
Miscellaneous	-	870	(870)
	<u>35,561</u>	<u>\$ 35,070</u>	<u>\$ 491</u>
EXPENDITURES			
Capital Outlay	-	<u>\$ 215,000</u>	<u>\$ (215,000)</u>
Receipts Over (Under) Expenditures	35,561		
UNENCUMBERED CASH, January 1, 2021	<u>299,598</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 335,159</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

INDUSTRIAL DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 11,721	\$ 12,049	\$ (328)
Delinquent Tax	264	600	(336)
Motor Vehicle Tax	1,554	2,036	(482)
Recreational Vehicle Tax	38	43	(5)
Excise Tax	-	4	(4)
16/20M Vehicle Tax	49	48	1
Commercial Vehicle Tax	26	74	(48)
Watercraft Tax	15	13	2
Neighborhood Revitalization Rebate	(229)	(216)	(13)
Other	3,958	-	3,958
	<u>17,396</u>	<u>\$ 14,651</u>	<u>\$ 2,745</u>
EXPENDITURES			
Contractual Services	-	\$ 78,780	\$ (78,780)
Capital Outlay	902	-	902
	<u>902</u>	<u>\$ 78,780</u>	<u>\$ (77,878)</u>
Receipts Over (Under) Expenditures	16,494		
UNENCUMBERED CASH, January 1, 2021	<u>68,677</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 85,171</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-11

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2021

FOUNDATION GRANTS FUND

	<u>Actual</u>
RECEIPTS	
Nonfederal Grant & Gifts	<u>\$ 3,000</u>
EXPENDITURES	
Contractual Services	3,000
Capital Outlay	<u>4,960</u>
Total Expenditures	<u>7,960</u>
Receipts Over (Under) Expenditures	(4,960)
UNENCUMBERED CASH, January 1, 2021	<u>8,629</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ 3,669</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-12

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2021

CAPITAL IMPROVEMENT FUND

	<u>Actual</u>
RECEIPTS	
Local Retailers' Sales Tax	<u>\$ 254,257</u>
EXPENDITURES	
Street	
Contractual Services	-
Commodities	14,229
Capital Outlay	-
Water Production	
Capital Outlay	932
Water Distribution	
Commodities	2
Capital Outlay	<u>24,504</u>
Total Expenditures	<u>39,667</u>
Receipts Over (Under) Expenditures	214,590
UNENCUMBERED CASH, January 1, 2021	<u>365,574</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ 580,164</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-13

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2021

PARTIALLY SELF-FUNDED HEALTH INSURANCE FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	\$ 14
Insurance Premiums	<u>107,272</u>
Total Receipts	<u>107,286</u>
EXPENDITURES	
Contractual Services	<u>62,488</u>
Receipts Over (Under) Expenditures	44,798
UNENCUMBERED CASH, January 1, 2021	<u>-</u>
UNENCUMBERED CASH, December 31, 2021	<u>\$ 44,798</u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-14

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

RISK MANAGEMENT RESERVE FUND

	<u>Actual</u>
RECEIPTS	
Incoming Transfer	
General Operating Fund	<u>\$ 20,000</u>
EXPENDITURES	<u>-</u>
Receipts Over (Under) Expenditures	20,000
UNENCUMBERED CASH, January 1, 2021	<u>-</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ 20,000</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-15

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2021

ARPA GRANT FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	\$ 67
Federal Grant - ARPA	<u>186,565</u>
Total Receipts	<u>186,632</u>
EXPENDITURES	
Personal Services	<u>43,680</u>
Receipts Over (Under) Expenditures	142,952
UNENCUMBERED CASH, January 1, 2021	<u>-</u>
UNENCUMBERED CASH, December 31, 2021	<u>\$ 142,952</u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2021

CDBG - CV GRANT FUND

	<u>Actual</u>
RECEIPTS	
Federal Grant - CDBG-COVID	<u>\$ 2,024</u>
EXPENDITURES	
Commodities	<u>2,024</u>
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, January 1, 2021	<u>-</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ -</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-17

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

BOND & INTEREST FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 21,708	\$ 22,315	\$ (607)
Delinquent Tax	525	1,800	(1,275)
Motor Vehicle Tax	2,050	2,680	(630)
Recreational Vehicle Tax	50	57	(7)
Excise Tax	1	5	(4)
16/20M Vehicle Tax	66	63	3
Commercial Vehicle Tax	35	98	(63)
Watercraft Tax	19	17	2
Neighborhood Revitalization Rebate	(424)	(284)	(140)
Incoming Transfer			
Water & Sewer Utility Fund	110,000	158,000	(48,000)
	<u>134,030</u>	<u>\$ 184,751</u>	<u>\$ (50,721)</u>
EXPENDITURES			
Commission & Postage	6	\$ 100	\$ (94)
Reserve for Cash	-	35,000	(35,000)
KLINK Bond Principal	30,000	30,000	-
KLINK Bond Interest	870	870	-
General Obligation Bond Principal Water	50,000	50,000	-
General Obligation Bond Interest Water	5,326	5,326	-
Quanz Bond Principal	-	17,939	(17,939)
Quanz Bond Interest	72	1,597	(1,525)
Quanz Bond Service Fee	449	9,995	(9,546)
Water Meters Bond Principal	57,861	61,939	(4,078)
Water Meters Bond Interest	1,515	2,283	(768)
Water Meters Bond Service Fee	5,628	8,479	(2,851)
	<u>151,727</u>	<u>\$ 223,528</u>	<u>\$ (71,801)</u>
Receipts Over (Under) Expenditures	(17,697)		
UNENCUMBERED CASH, January 1, 2021	<u>37,859</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 20,162</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-18

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

KDOT AIRPORT PROJECT FUND

	<u>Actual</u>
RECEIPTS	
State Grant - KDOT	<u>\$ 70,683</u>
EXPENDITURES	
Contractual Services	<u>28,113</u>
Receipts Over (Under) Expenditures	42,570
UNENCUMBERED CASH, January 1, 2021	<u>(306,461)</u>
UNENCUMBERED CASH, December 31, 2021	<u>\$ (263,891) *</u>

* See Note 3, Cash Basis Exceptions

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2021

AIRPORT GRANT FUND

	<u>Actual</u>
RECEIPTS	
Federal Grant - FAA	<u>\$ 403,012</u>
EXPENDITURES	
Contractual Services	<u>56,781</u>
Receipts Over (Under) Expenditures	346,231
UNENCUMBERED CASH, January 1, 2021	(402,916)
Prior Year Cancelled Encumbrances	<u>16,229</u>
UNENCUMBERED CASH, December 31, 2021	<u>\$ (40,456) *</u>

* See Note 3, Cash Basis Exceptions

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-20

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

KDOT STREET PROJECT FUND

	<u>Actual</u>
RECEIPTS	
State Grant - KDOT	<u>\$ 78,285</u>
EXPENDITURES	
Contractual Services	<u>-</u>
Receipts Over (Under) Expenditures	78,285
UNENCUMBERED CASH, January 1, 2021	<u>(81,753)</u>
UNENCUMBERED CASH, December 31, 2021	<u>\$ (3,468) *</u>

* See Note 3, Cash Basis Exceptions

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

QUANZ RESERVOIR PROJECT FUND

	<u>Actual</u>
RECEIPTS	
KDHE Loan Proceeds	<u>\$ 572,470</u>
EXPENDITURES	
Contractual Services	<u>8,258</u>
Receipts Over (Under) Expenditures	564,212
UNENCUMBERED CASH, January 1, 2021	<u>(599,805)</u>
UNENCUMBERED CASH, December 31, 2021	<u>\$ (35,593) *</u>

* See Note 3, Cash Basis Exceptions

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-22

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

CDBG WATER PROJECT FUND

	<u>Actual</u>
RECEIPTS	
Federal Grant - CDBG-COVID	<u>\$ 460,699</u>
EXPENDITURES	
Contractual Services	<u>168</u>
Receipts Over (Under) Expenditures	460,531
UNENCUMBERED CASH, January 1, 2021	<u>(462,669)</u>
UNENCUMBERED CASH, December 31, 2021	<u>\$ (2,138) *</u>

* See Note 3, Cash Basis Exceptions

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-23

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2021

AMR WATER METER FUND

	<u>Actual</u>
RECEIPTS	
KDHE Loan Proceeds	\$ 91,965
Incoming Transfer	
Water & Sewer Utility Fund	<u>6,020</u>
Total Receipts	<u>97,985</u>
EXPENDITURES	
Capital Outlay	<u>14,600</u>
Receipts Over (Under) Expenditures	83,385
UNENCUMBERED CASH, January 1, 2021	<u>(83,385)</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ -</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

WATER & SEWER UTILITY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Water Department			
Water Sales	\$ 864,129	\$ 905,000	\$ (40,871)
Penalties	7,478	13,000	(5,522)
Sales Tax Collected	12,458	17,000	(4,542)
Miscellaneous	713	50,000	(49,287)
Coin Machine Water Sales	1,365	1,500	(135)
Water Protection Fee	4,316	5,500	(1,184)
Sale of Equipment	2,045	1,500	545
Return Check Charge	280	1,500	(1,220)
Connects/Disconnects	8,815	10,500	(1,685)
Water Reimbursements	251	300	(49)
New Service	2,800	-	2,800
Total Water Department	<u>904,650</u>	<u>1,005,800</u>	<u>(101,150)</u>
Sewer Department			
Sewer Charges	433,787	430,000	3,787
Sewer Dump Station Fees	2,769	3,500	(731)
Sale of Equipment	-	1,000	(1,000)
Miscellaneous	26	-	26
Total Sewer Department	<u>436,582</u>	<u>434,500</u>	<u>2,082</u>
Total Receipts	<u>1,341,232</u>	<u>\$ 1,440,300</u>	<u>\$ (99,068)</u>
EXPENDITURES			
Water Department			
Water Production			
Personal Services	54,204	\$ 40,000	\$ 14,204
Contractual Services	77,296	270,000	(192,704)
Commodities	215,534	70,000	145,534
Capital Outlay	40,425	125,000	(84,575)
Total Water Production	<u>387,459</u>	<u>505,000</u>	<u>(117,541)</u>
Water Transmission & Distribution			
Personal Services	323,516	250,000	73,516
Contractual Services	165,697	225,000	(59,303)
Commodities	113,839	225,000	(111,161)
Capital Outlay	23,500	205,000	(181,500)
Total Water Transmission & Distribution	<u>626,552</u>	<u>905,000</u>	<u>(278,448)</u>
Water Commercial & General			
Personal Services	45,871	60,000	(14,129)
Contractual Services	27,755	80,000	(52,245)
Commodities	1,148	10,000	(8,852)
Capital Outlay	-	20,000	(20,000)
Total Water Commercial & General	<u>74,774</u>	<u>170,000</u>	<u>(86,374)</u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2021

WATER & SEWER UTILITY FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Water Department (Cont.)			
Water Non-Operating			
Sales Tax	\$ 12,858	\$ 20,000	\$ (7,142)
State Water Fee	4,655	10,000	(5,345)
Kansas Clean Drinking Water Fee	4,364	7,000	(2,636)
Miscellaneous	-	40,000	(40,000)
Total Water Non-Operating	<u>21,877</u>	<u>77,000</u>	<u>(55,123)</u>
Total Water Department	<u>1,110,662</u>	<u>1,657,000</u>	<u>(546,338)</u>
Sewer Department			
Sewer Commercial & General			
Personal Services	92,242	100,000	(7,758)
Contractual Services	117,107	180,000	(62,893)
Commodities	192,406	90,000	102,406
Capital Outlay	2,440	99,456	(97,016)
Total Sewer Commercial & General	<u>404,195</u>	<u>469,456</u>	<u>(65,261)</u>
Sewer Administration			
Personal Services	30,267	25,000	5,267
Contractual Services	13,867	25,000	(11,133)
Commodities	648	5,000	(4,352)
Capital Outlay	-	5,000	(5,000)
Total Sewer Administration	<u>44,782</u>	<u>60,000</u>	<u>(15,218)</u>
Total Sewer Department	<u>448,977</u>	<u>529,456</u>	<u>(80,479)</u>
Outgoing Transfers			
Bond & Interest Fund	110,000	158,000	(48,000)
Equipment Reserve Fund	-	150,000	
AMR Water Meter Fund	6,020	-	6,020
Total Outgoing Transfers	<u>116,020</u>	<u>308,000</u>	<u>(41,980)</u>
Total Expenditures	<u>1,675,659</u>	<u>\$ 2,494,456</u>	<u>\$ (818,797)</u>
Receipts Over (Under) Expenditures	(334,427)		
UNENCUMBERED CASH, January 1, 2021	<u>1,197,855</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 863,428</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-25

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

SOLID WASTE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Fees Collected	\$ 392,439	\$ 386,000	\$ 6,439
Sales Tax Collected	-	90	(90)
Sale of Dumpsters	-	900	(900)
Equipment Rental	3,475	1,800	1,675
Miscellaneous	106	-	106
Yard Waste Receipts	7,344	6,000	1,344
	<u>403,364</u>	<u>\$ 394,790</u>	<u>\$ 8,574</u>
EXPENDITURES			
Operating			
Personal Services	133,033	\$ 95,000	\$ 38,033
Contractual Services	187,098	205,000	(17,902)
Commodities	22,302	50,000	(27,698)
Capital Outlay	-	25,000	(25,000)
Administration			
Personal Services	32,910	25,000	7,910
Contractual Services	13,764	30,000	(16,236)
Commodities	1,048	5,000	(3,952)
Capital Outlay	-	46,838	(46,838)
Outgoing Transfer			
Equipment Reserve Fund	14,032	25,000	(10,968)
	<u>404,187</u>	<u>\$ 506,838</u>	<u>\$ (102,651)</u>
Receipts Over (Under) Expenditures	(823)		
UNENCUMBERED CASH, January 1, 2021	<u>219,730</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 218,907</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-26

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2021

AQUATIC CENTER FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Retailers' Sales Tax	\$ 508,514	\$ 490,000	\$ 18,514
Swimming Pool Concessions	12,737	12,000	737
Swimming Lessons	5,250	6,250	(1,000)
Swimming Pool Tickets	21,237	29,000	(7,763)
Sales Tax Collected	1,146	1,000	146
	<u>548,884</u>	<u>\$ 538,250</u>	<u>\$ 10,634</u>
EXPENDITURES			
Administration			
Personal Services	32,623	\$ 50,000	\$ (17,377)
Contractual Services	477	30,000	(29,523)
Commodities	206	2,000	(1,794)
Capital Outlay	-	10,000	(10,000)
Lease Payment	218,556	230,000	(11,444)
Indoor Pool			
Personal Services	58,068	60,000	(1,932)
Contractual Services	45,291	93,500	(48,209)
Commodities	12,149	20,000	(7,851)
Capital Outlay	15,867	15,000	867
Outdoor Pool			
Personal Services	84,248	70,250	13,998
Contractual Services	17,581	32,500	(14,919)
Commodities	31,830	30,453	1,377
Capital Outlay	64,400	11,195	53,205
	<u>581,296</u>	<u>\$ 654,898</u>	<u>\$ (73,602)</u>
Receipts Over (Under) Expenditures	(32,412)		
UNENCUMBERED CASH, January 1, 2021	<u>218,052</u>		
UNENCUMBERED CASH, December 31, 2021	<u>\$ 185,640</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-27

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2021

ENDOWMENT FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	\$ 22
Nonfederal Gifts & Grants	<u>9,000</u>
Total Receipts	<u>9,022</u>
EXPENDITURES	
Commodities	<u>65</u>
Receipts Over (Under) Expenditures	8,957
UNENCUMBERED CASH, January 1, 2021	<u>10,329</u>
UNENCUMBERED CASH, December 31, 2021	<u>\$ 19,286</u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2021

AGENCY FUNDS

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Municipal Court Bonds	\$ 100	\$ 593	\$ 693	\$ -
Employee Flex Benefits	11,926	77,727	76,958	12,695
Meter Deposit	20,570	8,221	7,701	21,090
 Total	 \$ 32,596	 \$ 86,541	 \$ 85,352	 \$ 33,785

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 4-1

RELATED MUNICIPAL ENTITY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2021

PUBLIC BUILDING COMMISSION
AQUATIC CENTER BOND & INTEREST FUND

	<u>Actual</u>
RECEIPTS	
Lease Income	\$ 218,556
Interest on Idle Funds	<u>431</u>
Total Receipts	<u>218,987</u>
EXPENDITURES	
Principal Payment	175,000
Interest Expense	<u>43,334</u>
Total Expenditures	<u>218,334</u>
Receipts Over (Under) Expenditures	653
UNENCUMBERED CASH, January 1, 2021	<u>85,618</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ 86,271</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 4-2

RELATED MUNICIPAL ENTITY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2021

PUBLIC BUILDING COMMISSION
AQUATIC CENTER CAPITAL PROJECTS FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	<u>-</u>
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, January 1, 2021	<u>138,555</u>
UNENCUMBERED CASH, December 31, 2021	<u><u>\$ 138,555</u></u>

CITY OF PHILLIPSBURG, KANSAS
ADDITIONAL SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 5

WATER AND SEWER UTILITY ALLOCATION
For the Year Ended December 31, 2021

SUMMARY FROM
WATER & SEWER UTILITY FUND

	Water	Sewer	Total
RECEIPTS	\$ 904,650	\$ 436,582	\$ 1,341,232
EXPENDITURES	1,226,682	448,977	1,675,659
Receipts Over (Under) Expenditures	(322,032)	(12,395)	(334,427)
UNENCUMBERED CASH, January 1, 2021	448,261	749,594	1,197,855
UNENCUMBERED CASH, December 31, 2021	\$ 126,229	\$ 737,199	\$ 863,428

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 6

EQUIPMENT RESERVE ALLOCATION

For the Year Ended December 31, 2021

	Office	Solid Waste	Water	Sewer	Aquatic Center	Undesignated	Total
Receipts	\$ -	\$ 14,032	\$ 14,600	\$ -	\$ -	\$ -	\$ 28,632
Expenditures	-	8,765	-	-	-	-	8,765
Receipts Over (Under) Expenditures	-	5,267	14,600	-	-	-	19,867
UNENCUMBERED CASH, January 1, 2021	67,426	15,423	206,292	139,337	50,000	286,860	765,338
UNENCUMBERED CASH, December 31, 2021	\$ 67,426	\$ 20,690	\$ 220,892	\$ 139,337	\$ 50,000	\$ 286,860	\$ 785,205

CITY OF PHILLIPSBURG, KANSAS
SINGLE AUDIT SECTION
FOR THE YEAR ENDED DECEMBER 31, 2021



MAPES & MILLER LLP

CERTIFIED PUBLIC ACCOUNTANTS

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

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INDEPENDENT AUDITOR'S 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

September 6, 2022

Mayor and City Council
City of Phillipsburg, Kansas
Phillipsburg, KS 67661

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statement of the City of Phillipsburg, Kansas, as of and for the year ended December 31, 2021, and the related notes to the financial statement, which collectively comprise the City of Phillipsburg's basic financial statement and have issued our report thereon dated September 6, 2022. Our report on the financial statement disclosed that, as described in Note 1 to the financial statement, the City of Phillipsburg, Kansas prepares its financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City of Phillipsburg, Kansas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Phillipsburg, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Phillipsburg, Kansas' 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 a 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

Mayor and City Council
City of Smith Center, Kansas
September 6, 2022
Page Two

Our consideration of internal control was for the limited purpose described in the first preceding 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Phillipsburg, Kansas' financial statement is 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 financial statement. 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 of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of the City of Phillipsburg, Kansas in a separate letter dated September 6, 2022.

The City of Phillipsburg, Kansas' Response to Findings

Governmental Auditing Standards requires the auditor to perform limited procedures on the City of Phillipsburg, Kansas' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Phillipsburg, Kansas' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Mapes & Miller LLP
Certified Public Accountants

Phillipsburg, Kansas
September 6, 2022



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

September 6, 2022

Mayor and City Council
City of Phillipsburg, Kansas
Phillipsburg, Kansas 66967

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Phillipsburg, Kansas' compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City of Phillipsburg, Kansas' major federal programs for the year ended December 31, 2021. The City of Phillipsburg, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Phillipsburg, Kansas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the Kansas Municipal Audit and Accounting Guide; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Phillipsburg and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Phillipsburg's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Phillipsburg's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Phillipsburg's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Phillipsburg's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Phillipsburg's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Phillipsburg's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Phillipsburg's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as described above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Mapes & Miller LLP
Certified Public Accountants

Phillipsburg, Kansas
September 6, 2022

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 7

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2021

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Grant Identifying Number</u>	<u>Expenditures</u>
U.S. Department of Transportation			
Direct Funding			
Airport Improvement Program	20.106	3-20-0068-014-2020	\$ 373,013
COVID-19 - Airport Improvement Program	20.106	3-20-0068-015-2020	27,355
COVID-19 - Airport Improvement Program	20.106	3-20-0068-016-2022	<u>32,000</u>
Total Airport Improvement Program			<u>432,368</u>
Passed through Northwest Kansas Transit Coordinating Council, Inc.			
Formula Grants for Rural Areas and Tribal Transit Program	20.509		<u>54,483</u>
Total U.S. Department of Transportation			<u>486,851</u>
U.S. Department of Housing & Urban Development			
Passed through the Kansas Department of Commerce			
Community Development Block Grants/State's Program	14.228	19-PF-017	457,779
Community Development Block Grants/State's Program	14.228	20-CV-106	<u>2,024</u>
Total U.S. Department of Housing & Urban Development			<u>459,803</u>
U.S. Department of Treasury			
Direct Funding			
COVID-19-Coronavirus State & Local Fiscal Recovery Funds	21.027		<u>43,680</u>
Total U.S. Department of Treasury			<u>43,680</u>
Total Expenditures of Federal Awards			<u><u>\$ 990,334</u></u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

CITY OF PHILLIPSBURG
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "SEFA") includes the federal award activity of the City of Phillipsburg, Kansas, under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the City of Phillipsburg, Kansas, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance, nor has it charged any indirect costs to its federal programs.

4. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule.

5. Contingencies

The City receives funds under various federal grant programs and such awards are to be expended in accordance with provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 8
Page 1 of 2

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued:

In accordance with Generally Accepted Accounting Principles Adverse

In accordance with the regulatory basis of accounting described in Note 1 Unmodified

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

FEDERAL AWARDS

Internal control over major programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516 (a)? Yes No

The programs tested as major programs were:

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>
14.228	Community Development Block Grants/State’s Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021

SECTION 2 – FINDINGS – FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

2021-001 Segregation of duties

Condition: The limited staff size does not provide for adequate segregating of duties.

Criteria: Segregation of duties should be maintained to strengthen internal control over accounting and compliance functions.

Effect: Lack of segregation of duties increases the risk of errors and noncompliance occurring and not being detected in a timely manner.

Cause: Because the entity is small, management does not feel it is feasible to hire more staff.

Recommendations: Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.

Views of Responsible Officials and Planned Corrective Actions: We concur with the recommendation. However, the size of the entity does not make it practical to have sufficient number of employees to achieve the optimum level of internal control.

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

Community Development Block Grant – CFDA 14.228.

No reportable findings or questioned costs for the year ended December 31, 2021.

SECTION 4 – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Not applicable.

CITY OF PHILLIPSBURG, KANSAS
UNAUDITED ADDITIONAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Exhibit 1

UNAUDITED ADDITIONAL INFORMATION
December 31, 2021

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

THE CITY

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

EDUCATIONAL FACILITIES

Phillipsburg is the site of the offices of Unified School District No. 325 which provides a comprehensive curriculum for students in pre-school through grade twelve.

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

ECONOMIC AND DEMOGRAPHIC INFORMATION

LOCATION (City of Phillipsburg)

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

POPULATION

	2020	2010	2000	1990	1980	1970
City of Phillipsburg:	2,420	2,581	2,668	2,828	3,229	3,241
Phillips County:	5,181	5,642	6,001	6,590	7,406	7,888

PUBLIC SAFETY

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

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

UNAUDITED

UTILITIES

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

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

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

EMPLOYMENT HISTORY - Phillips County

	<u>Year</u>	<u>Average Unemployment Rate</u>	
	2021	2.1%	
	2020	3.2%	
	2019	2.3%	
	2018	2.5%	
	2017	2.7%	
	2016	2.8%	
	2015	3.1%	
	2014	3.5%	
	2013	4.2%	
	2012	4.2%	

	<u>Civilian Work force</u>	<u>Total Employed</u>	<u>Unemployed</u>
2021	2,637	2,581	56
2020	2,743	2,655	88
2019	2,662	2,601	61
2018	2,862	2,790	72
2017	2,811	2,728	83
2016	2,870	2,790	80
2015	2,986	2,892	94
2014	2,951	2,848	103
2013	3,048	2,920	128
2012	3,128	2,996	132

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

www.dol.ks.gov

MAJOR EMPLOYERS - Phillipsburg Area

Some of the larger employers in the area include:

<u>Firm</u>	<u>Products/Service</u>
Tamko Asphalt Products	Roofing Products
Phillips County Hospital	Health Care
Unified School District #325	Education
Phillips Co. Retirement Center	Long Term Care Facility
First National Bank	Banking
Kyle Railroad	Transportation
Summit Sustainable Ingredients, LLC	Ethanol & Distillers Grain
Coomes, Inc.	Transportation

UNAUDITED

CLIMATE

Average daily temperature:

January:	30 degrees
April:	53 degrees
July:	80 degrees
October:	56 degrees

Average annual precipitation: 7.11 inches

Average annual snowfall: 21.2 inches

Source: www.timeanddate.com/weather

BANK DEPOSITS - Phillipsburg - December 31

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2012	286,758,309	2017	330,979,720
2013	298,336,493	2018	313,959,643
2014	212,760,900	2019	355,145,072
2015	304,136,850	2020	369,420,262
2016	301,091,132	2021	403,000,076

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

GROSS RETAIL SALES - Phillips County

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2012	151,371,873	2017	132,002,610
2013	160,523,074	2018	146,155,180
2014	158,619,485	2019	131,619,545
2015	141,058,549	2020	126,482,218
2016	136,503,301	2021	169,515,549

PHILLIPSBURG CITY SALES TAX COLLECTED BY STATE OF KANSAS

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2012	853,802	2017	789,280
2013	834,992	2018	808,424
2014	822,148	2019	819,954
2015	799,621	2020	804,957
2016	762,991	2021	838,673

TAXABLE RETAIL SALES - Phillipsburg City

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2012	40,690,111	2017	39,464,021
2013	37,754,811	2018	40,421,212
2014	41,107,400	2019	40,947,676
2015	38,740,396	2020	40,247,874
2016	38,149,566	2021	41,933,611

TAXABLE RETAIL SALES - Phillips County

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2012	59,716,108	2017	59,506,534
2013	55,559,592	2018	61,495,202
2014	63,141,600	2019	60,371,342
2015	59,971,708	2020	60,199,314
2016	58,172,854	2021	82,338,248

Source: Kansas Department of Revenue, Amy Kramer (785-291-3580 amy.Kramer@KS.gov)

UNAUDITED

TRANSPORTATION

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

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

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

General Public Transportation in Phillips County is provided by the City of Phillipsburg as part of the Kansas Department of Transportation Program.

COMMUNITY SERVICES

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

There are fourteen religious institutions located in Phillipsburg.

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

Phillipsburg has three motels with a total of one hundred three rooms.

Phillipsburg has two weekly newspapers, the Phillips County Review and the Advocate of Phillips County, as well as an online newspaper MyPhillipsCountyOnline.com. Area residents receive a high quality cable system and high speed internet access through a fiber network to the homes and businesses, provided by Nex-Tech, Inc. KKAN-KQMA serves the area with AM/FM radio.

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TAX STRUCTURE

The total sales tax rate (city, county, state) effective July 1, 2018 was 9.00%.

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

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

Levy Year	Budget	City of					Total
	Year	Phillipburg	Phillips County	USD #325	Other	State	
2021	2022	68.569	100.576	42.754	1.939	1.500	215.338
2020	2021	65.101	91.610	42.066	2.014	1.500	202.291
2019	2020	61.024	90.180	42.392	2.016	1.500	197.112
2018	2019	61.010	92.097	43.921	2.046	1.500	200.574
2017	2018	62.801	93.780	44.197	2.032	1.500	204.310
2016	2017	61.532	97.609	43.704	2.210	1.500	206.555
2015	2016	58.606	91.386	43.718	1.792	1.500	197.002
2014	2015	55.979	92.796	42.854	1.501	1.500	194.630
2013	2014	54.045	102.190	49.445	1.452	1.500	208.632
2012	2013	51.151	115.701	48.769	1.340	1.500	218.461

ASSESSED VALUATION HISTORY

Year	Assessed Valuation of Taxable Tangible Property	Tangible Valuation of Motor Vehicles	Equalized Assessed Valuation of Taxable Tangible Property
2021	\$ 12,203,595	\$ 2,697,516	\$ 14,901,111
2020	\$ 12,047,745	\$ 2,632,869	\$ 14,680,614
2019	\$ 11,574,213	\$ 2,124,460	\$ 13,698,673
2018	\$ 11,161,384	\$ 2,632,724	\$ 13,794,108
2017	\$ 10,510,208	\$ 2,719,899	\$ 13,230,107
2016	\$ 10,409,798	\$ 2,649,873	\$ 13,059,671
2015	\$ 10,196,292	\$ 2,626,446	\$ 12,822,738
2014	\$ 10,065,188	\$ 2,741,503	\$ 12,806,691
2013	\$ 10,047,051	\$ 2,738,728	\$ 12,785,779
2012	\$ 10,005,718	\$ 2,728,947	\$ 12,734,665

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CITY'S AUTHORITY TO INCUR DEBT

Equalized Assessed Valuation of Tangible Valuation For		
Computation of Bonded Debt Limitations	\$	14,901,111
Legal limitation of Bonded Debt	\$	4,470,333
Outstanding general obligation debt as of December 31, 2021	\$	165,000
Exempt Debt	\$	165,000
Net Debt against Statutory Debt limit capacity	\$	-
Additional debt capacity	\$	4,470,333
Direct debt per capita	\$	68
Overlapping Indebtedness	\$	635,598
Direct and overlapping debt	\$	800,598
Direct and overlapping debt per capita	\$	331
Direct debt as a percentage of Equalized Assessed Valuation		1.11%
Direct and overlapping debt as a percentage of Equalized Assessed Valuation		5.37%
Statutory direct debt as a percentage of Equalized Assessed Valuation		0.00%

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OVERLAPPING INDEBTEDNESS

The following table sets forth overlapping indebtedness as of December 31, 2021, and the percent attributable (on the basis of assessed valuation) to the City.

<u>Taxing Jurisdiction</u>	<u>2021 Assessed Valuation</u>	<u>Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to the City</u>	<u>Amount Applicable to the City</u>
Phillips County	\$ 70,786,505	\$ 3,686,761	17.24%	\$ 635,598
U.S.D. #325	\$ 36,650,933	\$ -	33.30%	\$ -

Outstanding General Obligation Debt
(As of December 31, 2021)

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>	<u>Amount Included In Debt Limitation</u>
2015 G.O. Bonds	2015	\$ 1,635,000	\$ 165,000	\$ -

Temporary Notes Outstanding
(As of December 31, 2021)

None are outstanding as of December 31, 2021.

Revenue Bonds Outstanding
(As of December 31, 2021)

None are outstanding as of December 31, 2021.

Outstanding Public Building Commission Revenue Bonds
(As of December 31, 2021)

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
PBC Revenue Bonds	2020	\$ 1,875,000	\$ 1,700,000

Loans Outstanding
(As of December 31, 2021)

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Kansas Public Water Supply	2018	\$ 572,470	\$ 572,470
Kansas Public Water Supply	2020	\$ 535,329	\$ 477,468

Capital Lease Obligations
(As of December 31, 2021)

None are outstanding as of December 31, 2021.

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