

CITY OF PHILLIPSBURG

Phillipsburg, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2017

MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas 67661

CITY OF PHILLIPSBURG

For the Year Ended December 31, 2017

Patrick E. Hewitt, Mayor

City Council

Pete Rogers
Rod Innes
Travis Stites

Lynette Voorhees
Donna Speake
Mike James

City Offices

Brenda Chance
Jordyn Tweedy

City Clerk
City Treasurer

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

For the Year Ended December 31, 2017

TABLE OF CONTENTS

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

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

For the Year Ended December 31, 2017

TABLE OF CONTENTS

Cont.

Page
Numbers

Related Municipal Entity

Schedule 4	Public Building Commission	
4-1	Aquatic Center Bond & Interest Fund	33
4-2	Aquatic Center Capital Projects Fund	34
 <u>ADDITIONAL SUPPLEMENTARY INFORMATION</u>		
Schedule 5	Water and Sewer Utility Allocation	35
Schedule 6	Equipment Reserve Allocation	36
 <u>UNAUDITED ADDITIONAL INFORMATION</u>		
Exhibit 1	The City, Educational Facilities, Location, Population, Public Safety	37
Exhibit 2	Utilities, Employment History, Major Employers	38
Exhibit 3	Climate, Bank Deposits, Gross Retail Sales, Phillipsburg City Sales Tax Collected by State of Kansas, Taxable Retail Sales	39
Exhibit 4	Transportation, Community Services	40
Exhibit 5	Tax Structure, Property Tax Mill Levy Rates, Assessed Valuation History	41
Exhibit 6	City's Authority to Incur Debt	42
Exhibit 7	Overlapping Indebtedness	43



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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Phillipsburg, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Phillipsburg, Kansas, a Municipal Financial Reporting Entity as of and for the year ended December 31, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Phillipsburg, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Phillipsburg, Kansas as of December 31, 2017, 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 financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Phillipsburg, Kansas, as of December 31, 2017, 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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2017 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 schedule of 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 analysis and are not a required part of the 2017 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 2017 basic financial statement.

Mayor and City Council
City of Phillipsburg, Kansas
July 17, 2018
Page 3

The 2017 information has been subjected to the auditing procedures applied in the audit of the 2017 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 2017 basic financial statement or to the 2017 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 2017 information is fairly stated in all material respects in relation to the 2017 basic financial statement as a whole, on the basis of accounting described in Note 1. The information identified in the table of contents, as unaudited additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we express no opinion on the unaudited information.

Respectfully submitted,
Mapes & Miller LLP
Certified Public Accountants

July 17, 2018
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, 2017

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	\$ 376,059	\$ 400	\$ 1,118,706	\$ 1,276,565	\$ 218,600	\$ 62,511	\$ 281,111
Special Purpose Funds							
Equipment Reserve Fund	1,022,746	-	67,026	14,211	1,075,561	-	1,075,561
Library Fund	1,906	-	60,485	62,307	84	-	84
Employee Benefit Fund	137,467	-	581,579	538,682	180,364	-	180,364
Special Parks & Recreation Fund	31,924	-	6,569	4,646	33,847	-	33,847
Special Highway Fund	(3,310)	36,630	575,222	138,294	470,248	1,000	471,248
Fire Equipment Capital Outlay Fund	195,734	-	28,217	7,401	216,550	-	216,550
Industrial Development Fund	53,903	-	12,097	3,585	62,415	-	62,415
Foundation Grants Fund	5,000	-	63,575	43,575	25,000	-	25,000
Bond & Interest Fund							
Bond & Interest Fund	674,448	-	342,782	265,503	751,727	-	751,727
Business Funds							
Water & Sewer Utility Fund	754,883	-	1,443,854	1,457,561	741,176	9,212	750,388
Solid Waste Fund	76,225	-	390,370	439,009	27,586	8,008	35,594
Aquatic Center Fund	105,906	-	498,563	460,216	144,253	-	144,253
Trust Fund							
Endowment Fund	10,018	-	22	-	10,040	-	10,040
Related Municipal Entity							
Public Building Commission							
Aquatic Center Bond & Interest Fund	115,507	-	189,030	224,365	80,172	-	80,172
Aquatic Center Capital Project Fund	138,555	-	-	-	138,555	-	138,555
 Total Reporting Entity (Excluding Agency Funds)	 <u>\$ 3,696,971</u>	 <u>\$ 37,030</u>	 <u>\$ 5,378,097</u>	 <u>\$ 4,935,920</u>	 <u>\$ 4,176,178</u>	 <u>\$ 80,731</u>	 <u>\$ 4,256,909</u>

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, 2017

Composition of Cash	
Cash on Hand	\$ 450
Checking Accounts	13,867
NOW Account	217,125
Money Market Account	755,930
Certificates of Deposit	3,081,000
Related Municipal Entity	<u>218,728</u>
Total Cash	4,287,100
Agency Funds Per Schedule 3	<u>(30,191)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 4,256,909</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, 2017

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, 2017.

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.

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, 2017.

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

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. The City is not aware of any noncompliance with Kansas statutes.

3. 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, 2017.

At December 31, 2017, the City's carrying amount of deposits was \$4,286,650 and the bank balance was \$4,336,952. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance \$465,310 was covered by federal depository insurance, and \$3,871,642 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.

4. INTERFUND TRANSFERS

A. Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Operating Fund	Equipment Reserve Fund	K.S.A. 12-1,117	\$ 10,000
General Operating Fund	Special Highway Fund	K.S.A. 12-1,119	275,817
Water & Sewer Utility Fund	Equipment Reserve Fund	K.S.A. 12-825d	29,000
Water & Sewer Utility Fund	Bond & Interest Fund	K.S.A. 12-825d	61,000
Solid Waste Fund	Equipment Reserve Fund	K.S.A. 12-825d	15,026
Special Highway Fund	Equipment Reserve Fund	K.S.A. 12-1,117	13,000

5. 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 S 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. KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law establishes 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 with a 0% moratorium for the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$75,492 for the year ended December 31, 2017.

Net Pension Liability

At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$734,526. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. 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.

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

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

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

(b) Other Employee Benefits

Vacation

All employees of the City, except temporary and part-time employees, accumulate vacation leave at a rate of ten days per year after their first year of employment. The rate of accumulation increases to fifteen days per year after seven years of employment, and twenty days per year after eighteen years of employment. An employee can only carry over to the next year, one-half of their annual amount of vacation leave. Employees are paid for all accumulated vacation leave, at their current wage rate, upon termination of employment. As of December 31, 2017, the City owed \$67,154 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.

7. RISK MANAGEMENT

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

During the year ended December 31, 2017, 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.

8. OPERATING LEASE

The City entered into a lease agreement, dated September 1, 2011 with the Public Building Commission, a related municipal entity of the City, to lease the swimming pool recreational facility. The agreement states that the City will, during the term of the lease, keep and maintain the swimming pool facility and all parts in good condition and repair. The lease agreement provides for semi-annual lease payments. The City has imposed a 1% city-wide retailer's sales tax to cover these payments.

Future minimum rental commitments are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 226,115
2019	222,403
2020	223,352
2021	223,803
2022	223,728
2023-2027	1,112,113
2028-2032	<u>894,410</u>
Total Future Minimum Lease Payments	<u>\$ 3,125,924</u>

9. 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.

10. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2017, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 1/1/2017	Additions	Reductions/ Payments	Ending Balance 12/31/2017	Interest/ Service Fees Paid
General Obligation Bond									
2011 General									
Obligation Bonds	2.4-2.9%	09/01/11	\$ 245,000	9/1/2021	\$ 135,000	\$ -	\$ 25,000	\$ 110,000	\$ 3,537
2015 General									
Obligation Bonds	1.35-2.95%	06/01/15	\$ 1,635,000	8/1/2024	1,430,000	-	210,000	1,220,000	26,309
Total General Obligation Bonds					1,565,000	-	235,000	1,330,000	29,846
Public Building Commission									
Revenue Bonds Series 2011	2.75-4.1%	09/01/11	3,070,000	10/1/2031	2,480,000	-	130,000	2,350,000	94,365
Total Contractual Indebtedness					\$ 4,045,000	\$ -	\$ 365,000	\$ 3,680,000	\$ 124,211

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		Revenue Bond (Public Building Commission)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 240,000	\$ 26,913	\$ 135,000	\$ 91,115	\$ 375,000	\$ 118,028
2019	245,000	23,245	135,000	87,402	380,000	110,647
2020	250,000	18,775	140,000	83,353	390,000	102,128
2021	255,000	13,409	145,000	78,803	400,000	92,212
2022	230,000	7,361	150,000	73,728	380,000	81,089
2023-2027	110,000	4,045	835,000	277,112	945,000	281,157
2028-2031	-	-	810,000	84,410	810,000	84,410
	<u>\$ 1,330,000</u>	<u>\$ 93,748</u>	<u>\$ 2,350,000</u>	<u>\$ 775,923</u>	<u>\$ 3,680,000</u>	<u>\$ 869,671</u>

CITY OF PHILLIPSBURG, KANSAS
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017

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	\$ 1,885,066	\$ -	\$ 1,885,066	\$ 1,276,565	\$ (608,501)
Special Purpose Funds					
Library Fund	69,820	-	69,820	62,307	(7,513)
Employee Benefit Fund	737,077	-	737,077	538,682	(198,395)
Special Parks & Recreation Fund	35,787	-	35,787	4,646	(31,141)
Special Highway Fund	539,488	-	539,488	138,294	(401,194)
Fire Equipment Capital Outlay Fund	193,231	-	193,231	7,401	(185,830)
Industrial Development Fund	61,570	-	61,570	3,585	(57,985)
Bond & Interest Funds					
Bond & Interest Fund	975,702	-	975,702	265,503	(710,199)
Business Funds					
Water & Sewer Utility Fund	2,045,721	-	2,045,721	1,457,561	(588,160)
Solid Waste Fund	485,252	-	485,252	439,009	(46,243)
Aquatic Center Fund	636,471	-	636,471	460,216	(176,255)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-1
Page 1 of 4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	\$ 325,400	\$ 321,834	\$ 3,566
Delinquent Tax	1,670	10,000	(8,330)
Motor Vehicle Tax	51,133	59,790	(8,657)
Intangibles Tax	29,786	28,000	1,786
Recreational Vehicle Tax	1,139	1,214	(75)
Excise Tax	51	112	(61)
16/20M Vehicle Tax	946	674	272
Commercial Vehicle	3,181	3,334	(153)
Watercraft Tax	319	304	15
Special Assessment	140	250	(110)
Local Alcoholic Liquor Tax	6,178	5,018	1,160
Interest on Idle Funds	12,433	27,818	(15,385)
Franchise Tax	155,803	177,000	(21,197)
Animal Tags	924	2,100	(1,176)
State Grants	1,196	36,000	(34,804)
Fines	29,277	55,000	(25,723)
Reimbursements	88,003	25,000	63,003
Rural Fire Contracts	46,404	30,000	16,404
Campground Fees	4,442	4,200	242
Local Retailer's Sales Tax	231,702	220,000	11,702
Licenses & Permits	7,183	6,800	383
Other Cash Receipts	6,703	58,000	(51,297)
Nonfederal Grants & Gifts	177	200,000	(199,823)
Building Rents	16,260	16,000	260
Cemetery Lots & Care	6,815	8,500	(1,685)
Airport Rents & Grains	7,328	10,000	(2,672)
Airport Aviation Gas & Oil	34,655	25,000	9,655
Airport Courtesy Car	48	150	(102)
Airport Sales Tax Collected	3,119	3,000	119
Zoning Applications	300	300	-
Transportation Passes	5,101	40,000	(34,899)
Northwest Kansas Transit	40,890	46,000	(5,110)
Total Receipts	<u>1,118,706</u>	<u>\$ 1,421,398</u>	<u>\$ (302,692)</u>
EXPENDITURES			
General Government			
Personal Services	61,873	\$ 95,000	\$ (33,127)
Contractual Services	34,315	113,000	(78,685)
Commodities	4,424	20,000	(15,576)
Capital Outlay	22,500	170,817	(148,317)
Total General Government	<u>123,112</u>	<u>398,817</u>	<u>(275,705)</u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-1
Page 2 of 4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Community Building			
Contractual Serices	\$ 10,395	\$ 25,000	\$ (14,605)
Commodities	10,698	20,000	(9,302)
Capital Outlay	4,754	25,000	(20,246)
Total Community Building	25,847	70,000	(44,153)
Custodian Department			
Personal Services	37,605	40,000	(2,395)
Contractual Services	622	7,000	(6,378)
Commodities	1,820	7,000	(5,180)
Capital Outlay	-	5,000	(5,000)
Total Custodian Department	40,047	59,000	(18,953)
Municipal Court & Police Department			
Personal Services	20,800	35,000	(14,200)
Contractual Services	302,065	325,000	(22,935)
Commodities	570	4,237	(3,667)
Capital Outlay	-	5,000	(5,000)
Total Municipal Court & Police Department	323,435	369,237	(45,802)
City Fire Department			
Contractual Services	19,311	15,000	4,311
Commodities	9,331	16,000	(6,669)
Capital Outlay	2,814	10,000	(7,186)
Total City Fire Department	31,456	41,000	(9,544)
Rural Fire Department			
Contractual Services	11,575	6,000	5,575
Commodities	14,213	15,000	(787)
Capital Outlay	5,011	10,000	(4,989)
Total Rural Fire Department	30,799	31,000	(201)
Park Department			
Personal Services	19,370	25,000	(5,630)
Contractual Services	11,481	20,000	(8,519)
Commodities	19,752	10,000	9,752
Capital Outlay	32,374	30,000	2,374
Total Park Department	82,977	85,000	(2,023)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-1
Page 3 of 4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Recreation Department			
Contractual Services	\$ 5,356	\$ 8,000	\$ (2,644)
Commodities	64	1,000	(936)
Capital Outlay	-	5,000	(5,000)
Total Recreation Department	5,420	14,000	(8,580)
Cemetery			
Personal Services	19,235	25,000	(5,765)
Contractual Services	14,188	10,000	4,188
Commodities	7,202	7,000	202
Capital Outlay	560	5,000	(4,440)
Total Cemetery	41,185	47,000	(5,815)
Street Lighting			
Contractual Services	50,940	60,000	-
Airport			
Personal Services	2,736	10,000	(7,264)
Contractual Services	83,958	50,000	33,958
Commodities	47,190	40,000	7,190
Capital Outlay	1,360	30,000	(28,640)
Total Airport	135,244	130,000	5,244
Planning Department			
Contractual Services	1,528	8,000	(6,472)
Transportation Department			
Personal Services	31,164	65,000	(33,836)
Contractual Services	11,056	9,000	2,056
Commodities	3,250	15,000	(11,750)
Capital Outlay	-	10,000	(10,000)
Total Transportation Department	45,470	99,000	(53,530)
Library Support			
Contractual Services	26,376	35,000	(8,624)
Capital Outlay	-	12,500	(12,500)
Total Library Support	26,376	47,500	(21,124)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-1
Page 4 of 4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Beautification			
Contractual Services	\$ 696	\$ 5,000	\$ (4,304)
Commodities	3,060	7,000	(3,940)
Capital Outlay	-	5,000	(5,000)
Total Beautification	<u>3,756</u>	<u>17,000</u>	<u>(13,244)</u>
Shade Tree			
Contractual Services	<u>1,314</u>	<u>5,000</u>	<u>(3,686)</u>
Armory			
Contractual Services	10,397	17,000	(6,603)
Commodities	3,552	15,000	(11,448)
Capital Outlay	-	20,000	(20,000)
Total Armory	<u>13,949</u>	<u>52,000</u>	<u>(38,051)</u>
Concrete Improvements			
Commodities	<u>2,844</u>	<u>72,500</u>	<u>(69,656)</u>
Neighborhood Revitalization Rebate	<u>5,049</u>	<u>43,195</u>	<u>(38,146)</u>
Outgoing Transfers			
Equipment Reserve Fund	10,000	35,000	(25,000)
Special Highway Fund	<u>275,817</u>	<u>200,817</u>	<u>75,000</u>
Total Outgoing Transfers	<u>285,817</u>	<u>235,817</u>	<u>50,000</u>
Total Expenditures	<u>1,276,565</u>	<u>\$ 1,885,066</u>	<u>\$ (608,501)</u>
Receipts Over (Under) Expenditures	(157,859)		
UNENCUMBERED CASH, January 1, 2017	376,059		
Prior Year Cancelled Encumbrances	<u>400</u>		
UNENCUMBERED CASH, December 31, 2017	<u>\$ 218,600</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017

EQUIPMENT RESERVE FUND

	<u>Actual</u>
RECEIPTS	
Incoming Transfers	
General Operating Fund	\$ 10,000
Water & Sewer Utility Fund	29,000
Solid Waste Fund	15,026
Special Hwy Fund	<u>13,000</u>
Total Receipts	<u>67,026</u>
EXPENDITURES	
Capital Outlay	<u>14,211</u>
Receipts Over (Under) Expenditures	52,815
UNENCUMBERED CASH, January 1, 2017	<u>1,022,746</u>
UNENCUMBERED CASH, December 31, 2017	<u><u>\$ 1,075,561</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017

LIBRARY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 50,273	\$ 50,191	\$ 82
Delinquent Tax	286	1,600	(1,314)
Motor Vehicle Tax	8,943	10,463	(1,520)
Recreational Vehicle Tax	199	212	(13)
Excise Tax	9	20	(11)
16/20M Vehicle Tax	163	118	45
Commercial Vehicle Tax	556	583	(27)
Watercraft Tax	56	53	3
	<hr/>	<hr/>	<hr/>
Total Receipts	60,485	\$ 63,240	\$ (2,755)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Library Insurance	2,766	\$ 2,500	\$ 266
Appropriation to Library Board	58,761	59,761	(1,000)
Neighborhood Revitalization Rebate	780	7,559	(6,779)
	<hr/>	<hr/>	<hr/>
Total Expenditures	62,307	\$ 69,820	\$ (7,513)
	<hr/>	<hr/>	<hr/>
Receipts Over (Under) Expenditures	(1,822)		
UNENCUMBERED CASH, January 1, 2017	<hr/> 1,906		
UNENCUMBERED CASH, December 31, 2017	<hr/> \$ 84		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017

EMPLOYEE BENEFIT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 171,122	\$ 172,136	\$ (1,014)
Delinquent Tax	961	3,000	(2,039)
Motor Vehicle Tax	31,982	37,479	(5,497)
Recreational Vehicle Tax	713	761	(48)
Excise Tax	32	70	(38)
16/20M Vehicle Tax	552	422	130
Commercial Vehicle Tax	1,989	2,090	(101)
Watercraft Tax	200	190	10
Employee/Employer Contributions	373,461	408,000	(34,539)
Reimbursements	567	2,000	(1,433)
	<u>581,579</u>	<u>\$ 626,148</u>	<u>\$ (44,569)</u>
EXPENDITURES			
Social Security & Medicare	70,560	\$ 100,000	\$ (29,440)
Retirement	76,068	100,000	(23,932)
Workman's Compensation	39,486	65,000	(25,514)
Unemployment Insurance	952	10,000	(9,048)
Life & Disability Insurance	2,779	10,000	(7,221)
Account Administration	606	5,000	(4,394)
Health Insurance	345,576	420,000	(74,424)
Neighborhood Revitalization Rebate	2,655	27,077	(24,422)
	<u>538,682</u>	<u>\$ 737,077</u>	<u>\$ (198,395)</u>
Receipts Over (Under) Expenditures	42,897		
UNENCUMBERED CASH, January 1, 2017	<u>137,467</u>		
UNENCUMBERED CASH, December 31, 2017	<u>\$ 180,364</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, 2017

SPECIAL PARKS & RECREATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Alcoholic Liquor Tax	\$ 6,179	\$ 5,018	\$ 1,161
Other Cash Receipts	390	-	390
Nonfederal Grants & Gifts	-	3,000	(3,000)
	<u>6,569</u>	<u>\$ 8,018</u>	<u>\$ (1,449)</u>
EXPENDITURES			
Contractual Services	3,000	\$ 20,000	\$ (17,000)
Commodities	-	3,000	(3,000)
Capital Outlay	1,646	12,787	(11,141)
	<u>4,646</u>	<u>\$ 35,787</u>	<u>\$ (31,141)</u>
Receipts Over (Under) Expenditures	1,923		
UNENCUMBERED CASH, January 1, 2017	<u>31,924</u>		
UNENCUMBERED CASH, December 31, 2017	<u>\$ 33,847</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, 2017

SPECIAL HIGHWAY FUND

	Actual	Budget	Variance Over (Under)
	<u> </u>	<u> </u>	<u> </u>
RECEIPTS			
Highway Connecting Links	\$ 14,864	\$ 21,000	\$ (6,136)
Special Highway Tax	67,555	66,340	1,215
Sale of Equipment	1,982	-	1,982
Sales Tax Collected	178	-	178
Other Cash Receipts	-	2,000	(2,000)
State Grants	214,826	-	214,826
Incoming Transfer			
General Operating Fund	<u>275,817</u>	<u>200,817</u>	<u>75,000</u>
Total Receipts	<u>575,222</u>	<u>\$ 290,157</u>	<u>\$ 285,065</u>
EXPENDITURES			
Personal Services	77,888	\$ 115,000	\$ (37,112)
Contractual Services	10,193	90,671	(80,478)
Commodities	36,653	194,796	(158,143)
Capital Outlay	560	126,021	(125,461)
Outgoing Transfer			
Equipment Reserve Fund	<u>13,000</u>	<u>13,000</u>	<u>-</u>
Total Expenditures	<u>138,294</u>	<u>\$ 539,488</u>	<u>\$ (401,194)</u>
Receipts Over (Under) Expenditures	436,928		
UNENCUMBERED CASH, January 1, 2017	(3,310)		
Prior Year Cancelled Encumbrances	<u>36,630</u>		
UNENCUMBERED CASH, December 31, 2017	<u>\$ 470,248</u>		

* See Note 3, Basis Exception.

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017

FIRE EQUIPMENT CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 20,103	\$ 19,817	\$ 286
Delinquent Tax	114	650	(536)
Motor Vehicle Tax	3,576	4,185	(609)
Recreational Vehicle Tax	80	85	(5)
Excise Tax	4	8	(4)
16/20M Vehicle Tax	65	47	18
Commercial Vehicle Tax	222	233	(11)
Watercraft Tax	22	21	1
Other Cash Receipts	15	-	15
Nonfederal Grants & Gifts	4,016	5,000	(984)
Total Receipts	28,217	\$ 30,046	\$ (1,829)
EXPENDITURES			
Capital Outlay	7,089	\$ 190,207	\$ (183,118)
Neighborhood Revitalization Rebate	312	3,024	(2,712)
Total Expenditures	7,401	\$ 193,231	\$ (185,830)
Receipts Over (Under) Expenditures	20,816		
UNENCUMBERED CASH, January 1, 2017	195,734		
UNENCUMBERED CASH, December 31, 2017	\$ 216,550		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

INDUSTRIAL DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 10,056	\$ 9,908	\$ 148
Delinquent Tax	57	500	(443)
Motor Vehicle Tax	1,787	2,093	(306)
Recreational Vehicle Tax	40	42	(2)
Excise Tax	2	4	(2)
16/20M Vehicle Tax	33	24	9
Commercial Vehicle Tax	111	117	(6)
Watercraft Tax	11	11	-
Total Receipts	12,097	\$ 12,699	\$ (602)
EXPENDITURES			
Contractual Services	3,429	\$ 60,058	\$ (56,629)
Neighborhood Revitalization Rebate	156	1,512	(1,356)
Total Expenditures	3,585	\$ 61,570	\$ (57,985)
Receipts Over (Under) Expenditures	8,512		
UNENCUMBERED CASH, January 1, 2017	53,903		
UNENCUMBERED CASH, December 31, 2017	\$ 62,415		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017

FOUNDATION GRANTS FUND

	<u>Actual</u>
RECEIPTS	
Nonfederal Grant & Gifts	<u>\$ 63,575</u>
EXPENDITURES	
Contractual Services	36,030
Commodities	3,970
Capital Outlay	<u>3,575</u>
Total Expenditures	<u>43,575</u>
Receipts Over (Under) Expenditures	20,000
UNENCUMBERED CASH, January 1, 2017	<u>5,000</u>
UNENCUMBERED CASH, December 31, 2017	<u><u>\$ 25,000</u></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, 2017

BOND & INTEREST FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 41,845	\$ 41,818	\$ 27
Delinquent Tax	187	1,500	(1,313)
Motor Vehicle Tax	7,274	8,648	(1,374)
Recreational Vehicle Tax	164	176	(12)
Excise Tax	7	16	(9)
16/20M Vehicle Tax	65	97	(32)
Commercial Vehicle Tax	452	482	(30)
Watercraft Tax	46	44	2
Local Retailer's Sales Tax	231,702	220,000	11,702
Special Assessments	40	-	40
Incoming Transfer			
Water & Sewer Utility Fund	61,000	61,000	-
	<u>342,782</u>	<u>\$ 333,781</u>	<u>\$ 9,001</u>
EXPENDITURES			
Commission & Postage	8	\$ 11,000	\$ (10,992)
Reserve for Cash	-	693,606	(693,606)
KLINK Bond Principal	25,000	25,000	-
KLINK Bond Interest	3,537	3,538	(1)
General Obligation Bond Principal Water	51,500	51,500	-
General Obligation Bond Interest Water	8,746	8,746	-
General Obligation Bond Principal Sewer	158,500	158,500	-
General Obligation Bond Interest Sewer	17,563	17,564	(1)
Neighborhood Revitalization Rebate	649	6,248	(5,599)
	<u>265,503</u>	<u>\$ 975,702</u>	<u>\$ (710,199)</u>
Receipts Over (Under) Expenditures	77,279		
UNENCUMBERED CASH, January 1, 2017	<u>674,448</u>		
UNENCUMBERED CASH, December 31, 2017	<u>\$ 751,727</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-11
Page 1 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

WATER & SEWER UTILITY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Water Department			
Water Sales	\$ 935,389	\$ 1,050,000	\$ (114,611)
Penalties	19,268	20,000	(732)
Sales Tax Collected	14,588	25,000	(10,412)
Other Cash Receipts	4,685	2,500	2,185
Coin Machine Water Sales	1,343	2,000	(657)
Water Protection Fee	5,914	10,000	(4,086)
Sale of Equipment	1,615	3,000	(1,385)
Return Check Charge	420	1,000	(580)
New Service	-	2,000	(2,000)
Connects/Disconnects	5,961	3,500	2,461
Federal Grant	21,909	-	21,909
State Grant	2,921	-	2,921
Insurance Reimbursement	1,870	-	1,870
	<u>1,015,883</u>	<u>1,119,000</u>	<u>(103,117)</u>
Total Water Department			
Sewer Department			
Sewer Charges	374,596	316,500	58,096
Sewer Machine & Building Rental	-	1,500	(1,500)
Other Cash Receipts	-	100	(100)
Connects/Disconnects	12,720	15,000	(2,280)
Sewer Dump Station Fees	2,530	4,500	(1,970)
Insurance Reimbursement	38,125	-	38,125
	<u>427,971</u>	<u>337,600</u>	<u>90,371</u>
Total Sewer Department			
	<u>1,443,854</u>	<u>\$ 1,456,600</u>	<u>\$ (12,746)</u>
Total Receipts			
EXPENDITURES			
Water Department			
Production			
Personal Services	35,344	\$ 40,000	\$ (4,656)
Contractual Services	173,208	230,000	(56,792)
Commodities	64,991	50,000	14,991
Capital Outlay	29,807	60,000	(30,193)
	<u>303,350</u>	<u>380,000</u>	<u>(76,650)</u>
Total Production			
Transmission & Distribution			
Personal Services	200,085	210,000	(9,915)
Contractual Services	169,658	150,000	19,658
Commodities	123,952	214,257	(90,305)
Capital Outlay	11,879	78,000	(66,121)
	<u>505,574</u>	<u>652,257</u>	<u>(146,683)</u>
Total Transmission & Distribution			

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-11
Page 2 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2017

WATER & SEWER UTILITY FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Water Department			
Water Commercial & General			
Personal Services	\$ 74,870	\$ 85,000	\$ (10,130)
Contractual Services	76,798	90,000	(13,202)
Commodities	3,569	10,000	(6,431)
Capital Outlay	752	-	752
Total Water Commercial & General	<u>155,989</u>	<u>185,000</u>	<u>(29,011)</u>
Total Water Department	<u>964,913</u>	<u>1,217,257</u>	<u>(252,344)</u>
Sewer Department			
Sewer Commercial & General			
Personal Services	96,355	115,000	(18,645)
Contractual Services	169,593	190,000	(20,407)
Commodities	86,029	75,000	11,029
Capital Outlay	26,429	140,000	(113,571)
Total Sewer Commercial & General	<u>378,406</u>	<u>520,000</u>	<u>(141,594)</u>
Other Expenditures			
Sales Tax	14,579	35,000	(20,421)
State Water Fee	4,987	10,000	(5,013)
Kansas Clean Drinking Water Fee	4,676	12,464	(7,788)
Outgoing Transfers			
Equipment Reserve Fund	29,000	190,000	(161,000)
Bond & Interest Fund	61,000	61,000	-
Total Other Expenditures	<u>114,242</u>	<u>308,464</u>	<u>(194,222)</u>
Total Expenditures	<u>1,457,561</u>	<u>\$ 2,045,721</u>	<u>\$ (588,160)</u>
Receipts Over (Under) Expenditures	(13,707)		
UNENCUMBERED CASH, January 1, 2017	<u>754,883</u>		
UNENCUMBERED CASH, December 31, 2017	<u>\$ 741,176</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, 2017

SOLID WASTE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Fees Collected	\$ 381,538	\$ 390,000	\$ (8,462)
Sales Tax Collected	88	1,000	(912)
Sale of Dumpsters	1,960	3,600	(1,640)
Equipment Rental	1,294	1,000	294
Other Cash Receipts	-	1,500	(1,500)
Yard Waste Receipts	5,490	7,500	(2,010)
Total Receipts	<u>390,370</u>	<u>\$ 404,600</u>	<u>\$ (14,230)</u>
EXPENDITURES			
Personal Services	157,072	\$ 170,000	\$ (12,928)
Contractual Services	239,567	215,000	24,567
Commodities	26,592	54,000	(27,408)
Capital Outlay	752	21,252	(20,500)
Outgoing Transfer			
Equipment Reserve Fund	15,026	25,000	(9,974)
Total Expenditures	<u>439,009</u>	<u>\$ 485,252</u>	<u>\$ (46,243)</u>
Receipts Over (Under) Expenditures	(48,639)		
UNENCUMBERED CASH, January 1, 2017	<u>76,225</u>		
UNENCUMBERED CASH, December 31, 2017	<u>\$ 27,586</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, 2017

AQUATIC CENTER FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Retailer's Sales Tax	\$ 463,405	\$ 440,000	\$ 23,405
Swimming Pool Concessions	8,194	15,000	(6,806)
Swimming Lessons	3,320	7,000	(3,680)
Swimming Pool Tickets	22,906	40,000	(17,094)
Sales Tax Collected	738	1,200	(462)
Non Federal Grants & Gifts	-	5,000	(5,000)
	<u>498,563</u>	<u>\$ 508,200</u>	<u>\$ (9,637)</u>
EXPENDITURES			
Personal Services	121,271	\$ 154,000	\$ (32,729)
Contractual Services	122,996	150,000	(27,004)
Commodities	27,353	56,171	(28,818)
Capital Outlay	-	21,300	(21,300)
Lease Payments	188,596	230,000	(41,404)
Outgoing Transfer			
Equipment Reserve Fund	-	25,000	(25,000)
	<u>460,216</u>	<u>\$ 636,471</u>	<u>\$ (176,255)</u>
Receipts Over (Under) Expenditures	38,347		
UNENCUMBERED CASH, January 1, 2017	<u>105,906</u>		
UNENCUMBERED CASH, December 31, 2017	<u>\$ 144,253</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-14

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017

ENDOWMENT FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 22</u>
EXPENDITURES	
	<u>-</u>
Receipts Over (Under) Expenditures	22
UNENCUMBERED CASH, January 1, 2017	<u>10,018</u>
UNENCUMBERED CASH, December 31, 2017	<u><u>\$ 10,040</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2017

AGENCY FUNDS

<u>FUNDS</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Municipal Court Bonds	\$ 164	\$ 4,079	\$ 4,161	\$ 82
Employee Flex Benefits	10,015	41,600	42,266	9,349
Meter Deposit	<u>20,970</u>	<u>7,210</u>	<u>7,420</u>	<u>20,760</u>
Total	<u>\$ 31,149</u>	<u>\$ 52,889</u>	<u>\$ 53,847</u>	<u>\$ 30,191</u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 4-1

RELATED MUNICIPAL ENTITY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2017

PUBLIC BUILDING COMMISSION
AQUATIC CENTER BOND & INTEREST FUND

	<u>Actual</u>
RECEIPTS	
Lease Income	\$ 188,595
Interest on Idle Funds	<u>435</u>
Total Receipts	<u>189,030</u>
EXPENDITURES	
Principal Payment	130,000
Interest Expense	<u>94,365</u>
Total Expenditures	<u>224,365</u>
Receipts Over (Under) Expenditures	(35,335)
UNENCUMBERED CASH, January 1, 2017	<u>115,507</u>
UNENCUMBERED CASH, December 31, 2017	<u><u>\$ 80,172</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, 2017

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, 2017	<u>138,555</u>
UNENCUMBERED CASH, December 31, 2017	<u><u>\$ 138,555</u></u>

CITY OF PHILLIPSBURG, KANSAS
ADDITIONAL SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 5

WATER AND SEWER UTILITY ALLOCATION
For the Year Ended December 31, 2017

SUMMARY FROM
WATER & SEWER UTILITY FUND

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
RECEIPTS	<u>\$ 1,015,883</u>	<u>\$ 427,971</u>	<u>\$ 1,443,854</u>
EXPENDITURES	<u>1,077,155</u>	<u>380,406</u>	<u>1,457,561</u>
Receipts Over (Under) Expenditures	(61,272)	47,565	(13,707)
UNENCUMBERED CASH, January 1, 2017	<u>429,058</u>	<u>325,825</u>	<u>754,883</u>
UNENCUMBERED CASH, December 31, 2017	<u><u>\$ 367,786</u></u>	<u><u>\$ 373,390</u></u>	<u><u>\$ 741,176</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 6

EQUIPMENT RESERVE ALLOCATION

For the Year Ended December 31, 2017

	Office	Solid Waste	Water	Sewer	Aquatic Center	Undesignated	Total
Receipts	\$ 8,000	\$ 7,114	\$ 25,000	\$ -	\$ -	\$ 26,912	\$ 67,026
Expenditures	-	-	-	-	-	14,211	14,211
Receipts Over (Under) Expenditures	8,000	7,114	25,000	-	-	12,701	52,815
UNENCUMBERED CASH, January 1, 2017	59,720	90,265	361,198	176,500	50,000	285,063	1,022,746
UNENCUMBERED CASH, December 31, 2017	<u>\$ 67,720</u>	<u>\$ 97,379</u>	<u>\$ 386,198</u>	<u>\$ 176,500</u>	<u>\$ 50,000</u>	<u>\$ 297,764</u>	<u>\$ 1,075,561</u>

CITY OF PHILLIPSBURG, KANSAS
UNAUDITED ADDITIONAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Exhibit 1

UNAUDITED ADDITIONAL INFORMATION
December 31, 2017

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

	Current <u>Estimated</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>	<u>1970</u>
POPULATION						
City of Phillipsburg:	2,543	2,581	2,668	2,828	3,229	3,241
Phillips County:	5,428	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

Year	Average Unemployment Rate		
2017	2.7%		
2016	2.8%		
2015	3.1%		
2014	3.5%		
2013	4.2%		
2012	4.2%		
2011	4.9%		
2010	5.1%		
2009	6.2%		
2008	4.0%		

	Civilian Work force	Total Employed	Unemployed
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
2011	3,185	3,029	156
2010	3,103	2,946	157
2009	3,166	2,969	197
2008	3,145	3,018	127

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:

Firm	Products/Service
Tamko Asphalt Products	Roofing Products
Phillips County Hospital	Health Care
Unified School District #325	Education
Phillips Co. Retirement Center	Long Term Care Facility
First National Bank	Banking
Kyle Railroad	Transportation
Prairie Horizon Agri-Energy LLC	Ethanol & Distillers Grain
Coomes, Inc.	Transportation

CLIMATE

Average daily temperature:	January:	27 degrees
	April:	54 degrees
	July:	80 degrees
	October:	57 degrees
Average annual precipitation:		25 inches
Average annual snowfall:		23 inches

BANK DEPOSITS - Phillipsburg - December 31

Year	Amount	Year	Amount
2008	233,130,344	2013	298,336,493
2009	229,561,739	2014	212,760,900
2010	245,076,602	2015	304,136,850
2011	297,256,081	2016	301,091,132
2012	286,758,309	2017	330,979,720

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

GROSS RETAIL SALES - Phillips County

Year	Amount	Year	Amount
2008	131,936,647	2013	160,523,074
2009	125,906,065	2014	158,619,485
2010	122,903,973	2015	141,058,549
2011	175,612,706	2016	136,503,301
2012	151,371,873	2017	132,002,610

PHILLIPSBURG CITY SALES TAX COLLECTED BY STATE OF KANSAS

Year	Amount	Year	Amount
2008	395,726	2013	834,992
2009	391,732	2014	822,148
2010	386,466	2015	799,621
2011	435,662	2016	762,991
2012	853,802	2017	789,280

TAXABLE RETAIL SALES - Phillipsburg City

Year	Amount	Year	Amount
2008	37,891,849	2013	37,754,811
2009	34,479,349	2014	41,107,400
2010	36,656,731	2015	38,740,396
2011	43,566,227	2016	38,149,566
2012	40,690,111	2017	39,464,021

TAXABLE RETAIL SALES - Phillips County

Year	Amount	Year	Amount
2008	53,419,415	2013	55,559,592
2009	49,485,668	2014	63,141,600
2010	52,079,343	2015	59,971,708
2011	60,623,600	2016	58,172,854
2012	59,716,108	2017	59,506,534

Source: Kansas Department of Revenue, Amy Kramer (785-291-3580)

UNAUDITED

TRANSPORTATION

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

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

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

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-nine bed nonprofit Phillips County Hospital. There is one medical doctor, two certified physician assistants, two nurse practitioners, 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. 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.

UNAUDITED

TAX STRUCTURE

The total sales tax rate (city, county, state) effective July 1, 2017 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 Year	City of Phillipburg	Phillips County	USD #325	Other	State	Total
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
2011	2012	50.820	114.814	48.823	1.453	1.500	217.410
2010	2011	49.857	100.712	48.194	1.513	1.500	201.776
2009	2010	49.618	89.437	48.518	1.655	1.500	190.728
2008	2009	49.176	81.842	49.334	1.352	1.500	183.204

ASSESSED VALUATION HISTORY

Year	Assessed Valuation of Taxable Tangible Property	Tangible Valuation of Motor Vehicles	Equalized Assessed Valuation of Taxable Tangible Property
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
2011	\$ 10,045,331	\$ 2,690,621	\$ 12,735,952
2010	\$ 9,929,583	\$ 2,839,157	\$ 12,768,740
2009	\$ 9,905,875		
2008	\$ 10,110,232		

UNAUDITED

CITY'S AUTHORITY TO INCUR DEBT

Equalized Assessed Valuation of Tangible Valuation For		
Computation of Bonded Debt Limitations	\$	13,230,107
Legal limitation of Bonded Debt	\$	3,969,032
Outstanding general obligation debt as of December 31, 2017	\$	1,330,000
Exempt Debt	\$	1,220,000
Net Debt against Statutory Debt limit capacity	\$	110,000
Additional debt capacity	\$	3,859,032
Direct debt per capita	\$	523
Overlapping Indebtedness	\$	555,904
Direct and overlapping debt	\$	1,885,904
Direct and overlapping debt per capita	\$	742
Direct debt as a percentage of Equalized Assessed Valuation		10.05%
Direct and overlapping debt as a percentage of Equalized Assessed Valuation		14.25%
Statutory direct debt as a percentage of Equalized Assessed Valuation		0.83%

UNAUDITED

OVERLAPPING INDEBTEDNESS

The following table sets forth overlapping indebtedness as of December 31, 2017, and the percent attributable (on the basis of assessed valuation) to the City.

Taxing Jurisdiction	2017 Assessed Valuation	Outstanding General Obligation Indebtedness	Percent Applicable to the City	Amount Applicable to the City
Phillips County	\$ 61,640,079	\$ 3,260,256	17.05%	\$ 555,904
U.S.D. #325	\$ 32,335,970	\$ -	32.50%	\$ -

Outstanding General Obligation Debt
(As of December 31, 2017)

Description of Indebtedness	Series	Original Amount	Amount Outstanding	Amount Included In Debt Limitation
2011 G.O. Bonds	2011	\$ 245,000	\$ 110,000	\$ 110,000
2015 G.O. Bonds	2015	\$ 1,635,000	\$ 1,220,000	\$ -

Temporary Notes Outstanding
(As of December 31, 2017)

None are outstanding as of December 31, 2017.

Revenue Bonds Outstanding
(As of December 31, 2017)

None are outstanding as of December 31, 2017.

Outstanding Public Building Commission Revenue Bonds
(As of December 31, 2017)

Description of Indebtedness	Series	Original Amount	Amount Outstanding
PBC Revenue Bonds	2011	\$ 3,070,000	\$ 2,350,000

Loans Outstanding
(As of December 31, 2017)

None are outstanding as of December 31, 2017.

Capital Lease Obligations
(As of December 31, 2017)

None are outstanding as of December 31, 2017.

UNAUDITED