

CITY OF PHILLIPSBURG

Phillipsburg, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2019

MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas 67661

CITY OF PHILLIPSBURG

For the Year Ended December 31, 2019

Lance Munyon, Mayor

City Council

Pete Rogers
Bret Miles
Terry McConnell

Lynette Voorhees
Michael Wisner
Mike James

City Offices

Tiffini Gross
Jordyn Tweedy

City Clerk
City Treasurer

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

For the Year Ended December 31, 2019

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	6-13
<u>REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION</u>		
Schedule 1	Summary of Expenditures - Actual and Budget – Regulatory Basis	14
Schedule 2	Schedule of Receipts and Expenditures- Actual and Budget – Regulatory Basis	
<u>General Fund</u>		
2-1	General Operating Fund	15-18
<u>Special Purpose Funds</u>		
2-2	Equipment Reserve Fund	19
2-3	Library Fund	20
2-4	Employee Benefit Fund	21
2-5	Special Parks & Recreation Fund	22
2-6	Law Enforcement Fund	23
2-7	Fire Department Fund	24
2-8	Special Highway Fund	25
2-9	Fire Equipment Capital Outlay Fund	26
2-10	Industrial Development Fund	27
2-11	Foundation Grants Fund	28
2-12	Capital Improvements Fund	29
<u>Bond & Interest Fund</u>		
2-13	Bond & Interest Fund	30
<u>Capital Projects Fund</u>		
2-14	Airport Grant Fund	31
2-15	Quanz Reservoir Project Fund	32
2-16	CDBG Water Project Fund	33
2-17	AMR Water Meter Fund	34
<u>Business Funds</u>		
2-18	Water & Sewer Utility Fund	35-36
2-19	Solid Waste Fund	37
2-20	Aquatic Center Fund	38
<u>Trust Fund</u>		
2-21	Endowment Fund	39

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

For the Year Ended December 31, 2019

Cont.

TABLE OF CONTENTS

		<u>Page Numbers</u>
Schedule 3	Schedule of Receipts and Disbursements – Agency Funds – Regulatory Basis	40
	<u>Related Municipal Entity</u>	
Schedule 4	Public Building Commission	
4-1	Aquatic Center Bond & Interest Fund	41
4-2	Aquatic Center Capital Projects Fund	42
	<u>ADDITIONAL SUPPLEMENTARY INFORMATION</u>	
Schedule 5	Water and Sewer Utility Allocation	43
Schedule 6	Equipment Reserve Allocation	44
	<u>UNAUDITED ADDITIONAL INFORMATION</u>	
Exhibit 1	The City, Educational Facilities, Location, Population, Public Safety	45
Exhibit 2	Utilities, Employment History, Major Employers	46
Exhibit 3	Climate, Bank Deposits, Gross Retail Sales, Phillipsburg City Sales Tax Collected by State of Kansas, Taxable Retail Sales	47
Exhibit 4	Transportation, Community Services	48
Exhibit 5	Tax Structure, Property Tax Mill Levy Rates, Assessed Valuation History	49
Exhibit 6	City's Authority to Incur Debt	50
Exhibit 7	Overlapping Indebtedness	51



MAPES & MILLER LLP

CERTIFIED PUBLIC ACCOUNTANTS

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

JOHN D. MAPES, CPA, CHTD

DENIS W. MILLER, CPA, PA

THOMAS B. CARPENTER, CPA, PA

DON E. TILTON, CPA, PA

BRIAN S. THOMPSON, CPA, PA

REBECCA A. LIX, CPA, PA

STEPHANIE M. HEIER, CPA, PA

418 E HOLME

NORTON, KS 67654

(785)877-5833

P.O. BOX 412, 230 MAIN ST

QUINTER, KS 67752

(785)754-2111

P.O. BOX 266

711 3RD STREET

PHILLIPSBURG, KS 67661

(785)543-6561

P.O. BOX 508

503 MAIN STREET

STOCKTON, KS 67669

(785)425-6764

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, 2019 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, 2019, 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, 2019, 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 2019 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 2019 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 2019 basic financial statement.

Mayor and City Council
City of Phillipsburg, Kansas
September 8, 2020
Page 3

The 2019 information has been subjected to the auditing procedures applied in the audit of the 2019 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 2019 basic financial statement or to the 2019 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 2019 information is fairly stated in all material respects in relation to the 2019 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

September 8, 2020
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, 2019

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	\$ 303,013	\$ -	\$ 1,213,878	\$ 1,190,530	\$ 326,361	\$ 25,421	\$ 351,782
Special Purpose Funds							
Equipment Reserve Fund	965,159	-	74,036	237,608	801,587	97,698	899,285
Library Fund	3,200	-	65,242	67,314	1,128	-	1,128
Employee Benefit Fund	195,121	-	429,831	484,079	140,873	26,063	166,936
Special Parks & Recreation Fund	38,262	-	6,069	3,182	41,149	-	41,149
Law Enforcement Fund	4,432	-	305,000	297,208	12,224	-	12,224
Fire Department Fund	12,014	-	81,762	36,192	57,584	548	58,132
Special Highway Fund	343,902	-	190,418	266,552	267,768	2,288	270,056
Fire Equipment Capital Outlay Fund	243,423	-	28,572	-	271,995	-	271,995
Industrial Development Fund	75,192	-	13,783	2,209	86,766	-	86,766
Foundation Grants Fund	31,868	761	45,128	70,128	7,629	-	7,629
Capital Improvements Fund	95,458	-	243,272	114,031	224,699	-	224,699
Bond & Interest Fund							
Bond & Interest Fund	53,355	-	87,689	89,705	51,339	-	51,339
Capital Projects Fund							
Airport Grant Fund	(352,295)	6,845	345,450	47,160	(47,160) *	918	(46,242)
Quanz Reservoir Project Fund	(181,675)	-	-	-	(181,675) *	165,691	(15,984)
CDBG Water Project Fund	-	-	-	19,700	(19,700) *	19,700	-
AMR Water Meter Fund	-	-	-	550,660	(550,660) *	550,660	-
Business Funds							
Water & Sewer Utility Fund	832,491	-	1,347,409	1,121,044	1,058,856	9,436	1,068,292
Solid Waste Fund	88,542	-	389,290	350,414	127,418	2,823	130,241
Aquatic Center Fund	131,006	-	527,064	480,622	177,448	333	177,781
Trust Fund							
Endowment Fund	10,119	-	149	-	10,268	-	10,268
Related Municipal Entity							
Public Building Commission							
Aquatic Center Bond & Interest Fund	80,071	-	226,462	222,403	84,130	-	84,130
Aquatic Center Capital Project Fund	138,555	-	-	-	138,555	-	138,555
 Total Reporting Entity (Excluding Agency Funds)	 <u>\$ 3,111,213</u>	 <u>\$ 7,606</u>	 <u>\$ 5,620,504</u>	 <u>\$ 5,650,741</u>	 <u>\$ 3,088,582</u>	 <u>\$ 901,579</u>	 <u>\$ 3,990,161</u>

* 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, 2019

Composition of Cash	
Cash on Hand	\$ 450
Checking Accounts	7,738
NOW Account	183,527
Money Market Account	521,165
Certificates of Deposit	3,081,549
Related Municipal Entity	<u>222,686</u>
Total Cash	4,017,115
Agency Funds Per Schedule 3	<u>(26,954)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,990,161</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, 2019

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, 2019.

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, 2019.

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

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. 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 Law Enforcement Fund was in violation of K.S.A. 10-1113 in January and February 2019 by expending more than the available cash. A transfer was made in March 2019 to move cash from the General Fund to the Law Enforcement Fund and monthly transfers have been made since.
- B. Depository Coverage – K.S.A. 9-1402 requires deposits at statutorily authorized financial institutions be secured at the market value, which is equal to 100% of the total deposits at any given time. The deposits at First National Bank & Trust were undersecured on March 21, 2019. Additional securities were obtained subsequent to the violation.
- C. Encumbrances – K.S.A. 10-1117 requires the Clerk to keep a record of all indebtedness and contracts creating a liability, as well as all warrants or checks written. Material contracts were signed before the end of the year, but were not recorded as an encumbrance on the City's records. As contracts are signed, encumbrances should be recorded.
- D. The City is not aware of any 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 and in the AMR Water Meter Fund at December 31, 2019, 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.
- B. The City received a Federal Aviation Administration (FAA) Grant. The grant document 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, 2019. 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.

C. The City received a Community Development Block Grant (CDBG). The grant document 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, 2019. 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.

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, 2019.

At December 31, 2019, the City’s carrying amount of deposits was \$4,016,665 and the bank balance was \$4,030,967. The bank balance was held by one banks resulting in a concentration of credit risk. Of the bank balance \$481,959 was covered by federal depository insurance, and \$3,549,008 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	\$ 305,000
General Operating Fund	Fire Department Fund	Home Rule Ord. 1405	50,000
General Operating Fund	Special Highway Fund	K.S.A. 12-1,119	100,000
Water & Sewer Utility Fund	Bond & Interest Fund	K.S.A. 12-825d	63,000
Solid Waste Fund	Equipment Reserve Fund	K.S.A. 12-825d	74,036

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 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City were \$80,975 for the year ended December 31, 2019.

Net Pension Liability

At December 31, 2019, the City's proportionate share of the collective net pension liability reported by KPERS was \$659,588. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. 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, 2019.

(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. 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, 2019, the City owed \$57,300 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 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, 2019, 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.

9. 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>
2020	\$ 223,352
2021	223,803
2022	223,728
2023	218,103
2024	222,102
2025-2029	1,120,487
2030-2031	368,671
Total Future Minimum Lease Payments	<u>\$ 2,600,246</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	\$ 920,675	\$ 201,375
AMR Water Meters	\$ 667,674	\$ 550,660
Airport Improvement Project	\$ 458,953	\$ 458,953

11. SUBSEQUENT EVENTS

On January 6, 2020, the City signed a loan agreement with the Kansas Department of Health and Environment for a Kansas Public Water Supply Loan in an amount not to exceed \$667,674. Proceeds of the loan will be used to finance the cost of improvements to replace meters with an automated meter read system. The interest rate on the loan is 1.65% and will be paid back with semi-annual payments of \$36,350.77 over 10 years.

On June 15, 2020, the City adopted a resolution to refinance the Public Building Commission Revenue Bonds, Series 2011 in order to get a lower interest rate. The Refunding Revenue Bonds, Series 2020, in the amount of \$1,875,000 would expire in 2031.

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. However, on March 11, 2020, the Novel Coronavirus Disease, COVID-19, was declared a pandemic by the World Health Organization. On March 13, 2020, a national emergency was declared in the United States concerning the COVID-19 Outbreak. The economic uncertainties related to the pandemic could have a negative impact on the City but management currently is unable to reasonably determine the effects it may have on the City's financial conditions and operations.

12. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2019, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 1/1/2019	Additions	Reductions/Payments	Ending Balance 12/31/2019	Interest/Service Fees Paid
General Obligation Bond									
2011 General									
Obligation Bonds	2.85-2.90%	09/01/11	\$ 245,000	9/1/2021	\$ 85,000	\$ -	\$ 25,000	\$ 60,000	\$ 2,400
2015 General									
Obligation Bonds	1.95-2.95%	06/01/15	\$ 1,635,000	8/1/2024	325,000	-	55,000	270,000	7,299
Total General Obligation Bonds					410,000	-	80,000	330,000	9,699
KDHE Loan									
Kansas Public Water Supply	2.54%	01/21/19	460,837	8/1/2040	-	-	-	-	-
Public Building Commission									
Revenue Bonds Series 2011	3.25-4.1%	09/01/11	3,070,000	10/1/2031	2,215,000	-	135,000	2,080,000	87,403
Total Contractual Indebtedness					\$ 2,625,000	\$ -	\$ 215,000	\$ 2,410,000	\$ 97,102

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
2020	\$ 85,000	\$ 8,113	\$ 140,000	\$ 83,353	\$ 225,000	\$ 91,466
2021	80,000	6,196	145,000	78,802	225,000	84,998
2022	55,000	4,115	150,000	73,728	205,000	77,843
2023	55,000	2,791	150,000	68,102	205,000	70,893
2024	55,000	1,254	160,000	62,103	215,000	63,357
2025-2029	-	-	915,000	205,487	915,000	205,487
2030-2031	-	-	420,000	25,830	420,000	25,830
	\$ 330,000	\$ 22,469	\$ 2,080,000	\$ 597,405	\$ 2,410,000	\$ 619,874

CITY OF PHILLIPSBURG, KANSAS
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019

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	\$ 1,843,801	\$ -	\$ 1,843,801	\$ 1,190,530	\$ (653,271)
Special Purpose Funds					
Library Fund	67,320	-	67,320	67,314	(6)
Employee Benefit Fund	774,000	-	774,000	484,079	(289,921)
Special Parks & Recreation Fund	39,091	-	39,091	3,182	(35,909)
Law Enforcement Fund	304,432	-	304,432	297,208	(7,224)
Fire Department Fund	82,500	-	82,500	36,192	(46,308)
Special Highway Fund	692,378	-	692,378	266,552	(425,826)
Fire Equipment Capital Outlay Fund	203,090	-	203,090	-	(203,090)
Industrial Development Fund	68,290	-	68,290	2,209	(66,081)
Bond & Interest Funds					
Bond & Interest Fund	101,589	-	101,589	89,705	(11,884)
Business Funds					
Water & Sewer Utility Fund	2,337,472	-	2,337,472	1,121,044	(1,216,428)
Solid Waste Fund	454,936	-	454,936	350,414	(104,522)
Aquatic Center Fund	718,953	-	718,953	480,622	(238,331)

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, 2019

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
Receipts			
Ad Valorem Tax	\$ 438,130	\$ 450,124	\$ (11,994)
Delinquent Tax	7,469	1,900	5,569
Motor Vehicle Tax	65,131	48,465	16,666
Intangibles Tax	25,825	24,138	1,687
Recreational Vehicle Tax	1,401	1,041	360
Excise Tax	66	40	26
16/20M Vehicle Tax	1,350	1,100	250
Commercial Vehicle	2,185	2,849	(664)
Watercraft Tax	355	397	(42)
Neighborhood Revitalization Rebate	(7,182)	(3,993)	(3,189)
Special Assessment	-	250	(250)
Local Alcoholic Liquor Tax	6,069	6,818	(749)
Interest on Idle Funds	78,547	29,000	49,547
Franchise Tax	156,648	170,000	(13,352)
Animal Tags	827	2,200	(1,373)
State Grants	-	40,000	(40,000)
Fines	30,958	60,000	(29,042)
Reimbursements	29,932	35,000	(5,068)
Campground Fees	3,208	4,800	(1,592)
Local Retailer's Sales Tax	243,273	240,000	3,273
Licenses & Permits	4,425	8,000	(3,575)
Other Cash Receipts	4,013	59,000	(54,987)
Nonfederal Grants & Gifts	-	200,000	(200,000)
Building Rents	15,244	16,000	(756)
Cemetery Lots & Care	9,110	9,000	110
Airport Rents & Grains	7,392	10,000	(2,608)
Airport Aviation Gas & Oil	23,837	37,000	(13,163)
Airport Courtesy Car	-	150	(150)
Airport Sales Tax Collected	2,145	3,500	(1,355)
Airport Miscellaneous	2,251	-	2,251
Zoning Applications	375	500	(125)
Transportation Passes	10,052	6,000	4,052
Northwest Kansas Transit	43,780	46,000	(2,220)
Bad Checks/Debt Collected	2,577	-	2,577
City Fire Department	4,485	-	4,485
Total Receipts	1,213,878	\$ 1,509,279	\$ (295,401)
EXPENDITURES			
General Government			
Personal Services	129,184	\$ 93,000	\$ 36,184
Contractual Services	57,053	40,000	17,053
Commodities	23,663	6,000	17,663
Capital Outlay	51,756	173,225	(121,469)
Total General Government	261,656	312,225	(50,569)

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, 2019

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Community Building			
Personal Services	\$ 12,946	\$ 10,500	\$ 2,446
Contractual Services	14,863	15,000	(137)
Commodities	6,328	15,000	(8,672)
Capital Outlay	-	54,839	(54,839)
Total Community Building	<u>34,137</u>	<u>95,339</u>	<u>(61,202)</u>
Municipal Court			
Personal Services	24,385	26,500	(2,115)
Contractual Services	11,978	40,000	(28,022)
Commodities	10	4,237	(4,227)
Capital Outlay	-	5,000	(5,000)
Total Municipal Court	<u>36,373</u>	<u>75,737</u>	<u>(39,364)</u>
City Fire Department			
Personal Services	5,891	7,800	(1,909)
Contractual Services	954	1,000	(46)
Commodities	12,533	2,000	10,533
Capital Outlay	-	3,000	(3,000)
Total City Fire Department	<u>19,378</u>	<u>13,800</u>	<u>5,578</u>
Park Department			
Personal Services	17,428	43,000	(25,572)
Contractual Services	8,532	13,000	(4,468)
Commodities	6,933	21,000	(14,067)
Capital Outlay	-	35,000	(35,000)
Total Park Department	<u>32,893</u>	<u>112,000</u>	<u>(79,107)</u>
Recreation Department			
Contractual Services	1,971	8,000	(6,029)
Commodities	-	1,000	(1,000)
Capital Outlay	-	5,000	(5,000)
Total Recreation Department	<u>1,971</u>	<u>14,000</u>	<u>(12,029)</u>

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, 2019

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Cemetery			
Personal Services	\$ 15,834	\$ 40,000	\$ (24,166)
Contractual Services	7,556	16,000	(8,444)
Commodities	13,137	7,400	5,737
Capital Outlay	1,900	5,000	(3,100)
Total Cemetery	<u>38,427</u>	<u>68,400</u>	<u>(29,973)</u>
Street Lighting			
Contractual Services	<u>49,432</u>	<u>65,000</u>	<u>-</u>
Airport			
Personal Services	16,182	13,500	2,682
Contractual Services	39,149	85,000	(45,851)
Commodities	41,927	55,000	(13,073)
Capital Outlay	4,500	25,000	(20,500)
Total Airport	<u>101,758</u>	<u>178,500</u>	<u>(76,742)</u>
Planning Department			
Contractual Services	<u>113</u>	<u>3,000</u>	<u>(2,887)</u>
Transportation Department			
Personal Services	41,017	41,000	17
Contractual Services	5,294	12,000	(6,706)
Commodities	9,257	15,000	(5,743)
Capital Outlay	-	5,000	(5,000)
Total Transportation Department	<u>55,568</u>	<u>73,000</u>	<u>(17,432)</u>
Library Support			
Personal Services	7,572	30,000	(22,428)
Contractual Services	34,232	35,000	(768)
Commodities	560	500	60
Capital Outlay	-	-	-
Total Library Support	<u>42,364</u>	<u>65,500</u>	<u>(23,136)</u>
Beautification			
Personal Services	5,801	11,000	(5,199)
Contractual Services	1,123	5,000	(3,877)
Commodities	1,492	7,000	(5,508)
Capital Outlay	-	5,000	(5,000)
Total Beautification	<u>8,416</u>	<u>28,000</u>	<u>(19,584)</u>

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, 2019

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Shade Tree			
Contractual Services	\$ 340	\$ 5,000	\$ (4,660)
Armory			
Personal Services	11,868	5,100	6,768
Contractual Services	13,227	17,000	(3,773)
Commodities	6,964	15,000	(8,036)
Capital Outlay	4,994	20,000	(15,006)
Total Armory	37,053	57,100	(20,047)
Concrete Improvements			
Commodities	9,355	72,500	(63,145)
Code Enforcement			
Personal Services	1,708	5,000	(3,292)
Contractual Services	3,161	1,000	2,161
Commodities	290	2,000	(1,710)
Capital Outlay	-	3,000	(3,000)
Total Code Enforcement	5,159	11,000	(5,841)
Animal Control			
Personal Services	732	2,700	(1,968)
Contractual Services	405	1,000	(595)
Commodities	-	2,000	(2,000)
Capital Outlay	-	3,000	(3,000)
Total Animal Control	1,137	8,700	(7,563)
Outgoing Transfers			
Law Enforcement Fund	305,000	300,000	5,000
Fire Department Fund	50,000	50,000	-
Special Highway Fund	100,000	200,000	(100,000)
Capital Improvement Fund	-	35,000	(35,000)
Total Outgoing Transfers	455,000	585,000	(130,000)
Total Expenditures	1,190,530	\$ 1,843,801	\$ (653,271)
Receipts Over (Under) Expenditures	23,348		
UNENCUMBERED CASH, January 1, 2019	303,013		
UNENCUMBERED CASH, December 31, 2019	\$ 326,361		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2019

EQUIPMENT RESERVE FUND

	<u>Actual</u>
RECEIPTS	
Incoming Transfer	
Solid Waste Fund	<u>\$ 74,036</u>
EXPENDITURES	
Capital Outlay	<u>237,608</u>
Receipts Over (Under) Expenditures	(163,572)
UNENCUMBERED CASH, January 1, 2019	<u>965,159</u>
UNENCUMBERED CASH, December 31, 2019	<u><u>\$ 801,587</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, 2019

LIBRARY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 54,319	\$ 55,805	\$ (1,486)
Delinquent Tax	1,177	1,600	(423)
Motor Vehicle Tax	9,737	7,206	2,531
Recreational Vehicle Tax	209	155	54
Excise Tax	10	6	4
16/20M Vehicle Tax	209	164	45
Commercial Vehicle Tax	325	424	(99)
Watercraft Tax	53	59	(6)
Neighborhood Revitalization Rebate	(797)	(494)	(303)
Total Receipts	<u>65,242</u>	<u>\$ 64,925</u>	<u>\$ 317</u>
EXPENDITURES			
Library Insurance	3,137	\$ 4,000	\$ (863)
Appropriation to Library Board	64,177	63,320	857
Total Expenditures	<u>67,314</u>	<u>\$ 67,320</u>	<u>\$ (6)</u>
Receipts Over (Under) Expenditures	(2,072)		
UNENCUMBERED CASH, January 1, 2019	<u>3,200</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 1,128</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2019

EMPLOYEE BENEFIT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 123,251	\$ 126,630	\$ (3,379)
Delinquent Tax	4,020	1,500	2,520
Motor Vehicle Tax	33,138	24,525	8,613
Recreational Vehicle Tax	710	527	183
Excise Tax	34	20	14
16/20M Vehicle Tax	710	557	153
Commercial Vehicle Tax	1,107	1,442	(335)
Watercraft Tax	180	201	(21)
Neighborhood Revitalization Rebate	(1,585)	(2,021)	436
Employee/Employer Contributions	268,266	400,000	(131,734)
Reimbursements	-	2,000	(2,000)
	<u>429,831</u>	<u>\$ 555,381</u>	<u>\$ (125,550)</u>
EXPENDITURES			
Social Security & Medicare	70,401	\$ 123,000	\$ (52,599)
Retirement	85,567	123,000	(37,433)
Workman's Compensation	22,275	65,000	(42,725)
Unemployment Insurance	956	3,000	(2,044)
Life & Disability Insurance	2,717	10,000	(7,283)
Account Administration	571	5,000	(4,429)
Health Insurance	298,232	445,000	(146,768)
Other Insurance Premium	3,360	-	3,360
	<u>484,079</u>	<u>\$ 774,000</u>	<u>\$ (289,921)</u>
Receipts Over (Under) Expenditures	(54,248)		
UNENCUMBERED CASH, January 1, 2019	<u>195,121</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 140,873</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, 2019

SPECIAL PARKS & RECREATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Alcoholic Liquor Tax	\$ 6,069	\$ 6,818	\$ (749)
Miscellaneous	-	500	(500)
Total Receipts	6,069	\$ 7,318	\$ (1,249)
EXPENDITURES			
Contractual Services	3,000	\$ 20,000	\$ (17,000)
Commodities	182	3,250	(3,068)
Capital Outlay	-	15,841	(15,841)
Total Expenditures	3,182	\$ 39,091	\$ (35,909)
Receipts Over (Under) Expenditures	2,887		
UNENCUMBERED CASH, January 1, 2019	38,262		
UNENCUMBERED CASH, December 31, 2019	\$ 41,149		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019

LAW ENFORCEMENT FUND

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
RECEIPTS			
Incoming Transfer			
General Operating Fund	\$ 305,000	\$ 300,000	\$ 5,000
EXPENDITURES			
Contractual Services	297,208	297,208	-
Cash Forward	-	7,224	(7,224)
Total Expenditures	<u>297,208</u>	<u>\$ 304,432</u>	<u>\$ (7,224)</u>
Receipts Over (Under) Expenditures	7,792		
UNENCUMBERED CASH, January 1, 2019	<u>4,432</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 12,224</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, 2019

FIRE DEPARTMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Rural Fire Contracts	\$ 31,762	\$ 32,500	\$ (738)
Incoming Transfer			
General Operating Fund	50,000	42,500	7,500
Total Receipts	<u>81,762</u>	<u>\$ 75,000</u>	<u>\$ 6,762</u>
EXPENDITURES			
City Fire Department			
Contractual Services	9,510	\$ 15,000	\$ (5,490)
Commodities	7,810	16,000	(8,190)
Capital Outlay	-	11,500	(11,500)
Rural Fire Department			
Contractual Services	11,233	6,000	5,233
Commodities	7,639	15,000	(7,361)
Capital Outlay	-	11,500	(11,500)
Cash Forward	-	7,500	(7,500)
Total Expenditures	<u>36,192</u>	<u>\$ 82,500</u>	<u>\$ (46,308)</u>
Receipts Over (Under) Expenditures	45,570		
UNENCUMBERED CASH, January 1, 2019	<u>12,014</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 57,584</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, 2019

SPECIAL HIGHWAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Highway Connecting Links	\$ 19,846	\$ 15,000	\$ 4,846
Special Highway Tax	68,439	68,940	(501)
Sale of Equipment	1,957	3,000	(1,043)
Sales Tax Collected	176	300	(124)
Other Cash Receipts	-	1,000	(1,000)
Incoming Transfer			
General Operating Fund	100,000	200,000	(100,000)
	<u>190,418</u>	<u>\$ 288,240</u>	<u>\$ (97,822)</u>
EXPENDITURES			
Operating			
Personal Services	122,388	\$ 182,000	\$ (59,612)
Contractual Services	58,621	270,000	(211,379)
Commodities	60,158	100,000	(39,842)
Capital Outlay	14,709	100,378	(85,669)
Administration			
Personal Services	10,676	24,000	(13,324)
Contractual Services	-	1,000	(1,000)
Commodities	-	1,000	(1,000)
Capital Outlay	-	1,000	(1,000)
Outgoing Transfer			
Capital Improvement Fund	-	13,000	(13,000)
	<u>266,552</u>	<u>\$ 692,378</u>	<u>\$ (425,826)</u>
Receipts Over (Under) Expenditures	(76,134)		
UNENCUMBERED CASH, January 1, 2019	<u>343,902</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 267,768</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2019

FIRE EQUIPMENT CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 21,728	\$ 22,322	\$ (594)
Delinquent Tax	471	-	471
Motor Vehicle Tax	3,895	2,883	1,012
Recreational Vehicle Tax	83	62	21
Excise Tax	4	2	2
16/20M Vehicle Tax	83	65	18
Commercial Vehicle Tax	130	170	(40)
Watercraft Tax	21	24	(3)
Neighborhood Revitalization Rebate	(328)	(238)	(90)
Other Cash Receipts	2,485	-	2,485
Nonfederal Grants & Gifts	-	5,000	(5,000)
	<u>28,572</u>	<u>\$ 30,290</u>	<u>\$ (1,718)</u>
EXPENDITURES			
Capital Outlay	-	<u>\$ 203,090</u>	<u>\$ (203,090)</u>
Receipts Over (Under) Expenditures	28,572		
UNENCUMBERED CASH, January 1, 2019	<u>243,423</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 271,995</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, 2019

INDUSTRIAL DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 10,864	\$ 11,162	\$ (298)
Delinquent Tax	235	200	35
Motor Vehicle Tax	1,947	1,441	506
Recreational Vehicle Tax	42	31	11
Excise Tax	2	1	1
16/20M Vehicle Tax	42	33	9
Commercial Vehicle Tax	65	85	(20)
Watercraft Tax	11	12	(1)
Neighborhood Revitalization Rebate	(150)	(119)	(31)
Other	725	-	725
	<u>13,783</u>	<u>\$ 12,846</u>	<u>\$ 937</u>
EXPENDITURES			
Contractual Services	<u>2,209</u>	<u>\$ 68,290</u>	<u>\$ (66,081)</u>
Receipts Over (Under) Expenditures	11,574		
UNENCUMBERED CASH, January 1, 2019	<u>75,192</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 86,766</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-11

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2019

FOUNDATION GRANTS FUND

	<u>Actual</u>
RECEIPTS	
Nonfederal Grant & Gifts	\$ 40,000
Other	<u>5,128</u>
Total Receipts	<u>45,128</u>
EXPENDITURES	
Contractual Services	30,128
Capital Outlay	<u>40,000</u>
Total Expenditures	<u>70,128</u>
Receipts Over (Under) Expenditures	(25,000)
UNENCUMBERED CASH, January 1, 2019	31,868
Prior Year Cancelled Encumbrance	<u>761</u>
UNENCUMBERED CASH, December 31, 2019	<u><u>\$ 7,629</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, 2019

CAPITAL IMPROVEMENT FUND

	<u>Actual</u>
RECEIPTS	
Local Retailer's Sales Tax	<u>\$ 243,272</u>
EXPENDITURES	
Street	
Contractual Services	13,726
Commodities	85,897
Water Distribution	
Capital Outlay	<u>14,408</u>
Total Expenditures	<u>114,031</u>
Receipts Over (Under) Expenditures	129,241
UNENCUMBERED CASH, January 1, 2019	<u>95,458</u>
UNENCUMBERED CASH, December 31, 2019	<u><u>\$ 224,699</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, 2019

BOND & INTEREST FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	\$ 14,514	\$ 14,909	\$ (395)
Delinquent Tax	887	500	387
Motor Vehicle Tax	8,104	5,997	2,107
Recreational Vehicle Tax	174	129	45
Excise Tax	8	5	3
16/20M Vehicle Tax	174	136	38
Commercial Vehicle Tax	271	353	(82)
Watercraft Tax	44	49	(5)
Neighborhood Revitalization Rebate	513	(594)	1,107
Incoming Transfer			
Water & Sewer Utility Fund	63,000	63,000	-
	<u>87,689</u>	<u>\$ 84,484</u>	<u>\$ 3,205</u>
EXPENDITURES			
Commission & Postage	6	\$ 100	\$ (94)
Reserve for Cash	-	11,710	(11,710)
KLINK Bond Principal	25,000	25,000	-
KLINK Bond Interest	2,400	2,400	-
General Obligation Bond Principal Water	55,000	55,000	-
General Obligation Bond Interest Water	7,299	7,379	(80)
	<u>89,705</u>	<u>\$ 101,589</u>	<u>\$ (11,884)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(2,016)		
UNENCUMBERED CASH, January 1, 2019	<u>53,355</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 51,339</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, 2019

AIRPORT GRANT FUND

	<u>Actual</u>
RECEIPTS	
Federal Grant	<u>\$ 345,450</u>
EXPENDITURES	
Contractual Services	<u>47,160</u>
Receipts Over (Under) Expenditures	298,290
UNENCUMBERED CASH, January 1, 2019	(352,295)
Prior Year Cancelled Encumbrance	<u>6,845</u>
UNENCUMBERED CASH, December 31, 2019	<u>\$ (47,160) *</u>

* See Note 3, Cash Basis Exceptions

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-15

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2019

QUANZ RESERVOIR PROJECT FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	<u>-</u>
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, January 1, 2019	<u>(181,675)</u>
UNENCUMBERED CASH, December 31, 2019	<u>\$ (181,675) *</u>

* See Note 3, Cash Basis Exceptions

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-16

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2019

CDBG WATER PROJECT FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	
Contractual Services	<u>19,700</u>
Receipts Over (Under) Expenditures	(19,700)
UNENCUMBERED CASH, January 1, 2019	<u>-</u>
UNENCUMBERED CASH, December 31, 2019	<u>\$ (19,700) *</u>

* See Note 3, Cash Basis Exceptions

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-17

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019

AMR WATER METER FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	
Capital Outlay	<u>550,660</u>
Receipts Over (Under) Expenditures	(550,660)
UNENCUMBERED CASH, January 1, 2019	<u>-</u>
UNENCUMBERED CASH, December 31, 2019	<u>\$ (550,660) *</u>

* See Note 3, Cash Basis Exceptions

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-18
Page 1 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2019

WATER & SEWER UTILITY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Water Department			
Water Sales	\$ 878,544	\$ 1,050,000	\$ (171,456)
Penalties	12,450	25,000	(12,550)
Sales Tax Collected	15,370	25,000	(9,630)
Other Cash Receipts	126	6,000	(5,874)
Coin Machine Water Sales	759	3,000	(2,241)
Water Protection Fee	4,701	10,000	(5,299)
Sale of Equipment	23	3,000	(2,977)
Return Check Charge	300	1,000	(700)
Connects/Disconnects	8,788	8,750	38
Federal Grant	-	20,000	(20,000)
Reimbursement	262	3,000	(2,738)
Total Water Department	<u>921,323</u>	<u>1,154,750</u>	<u>(233,427)</u>
Sewer Department			
Sewer Charges	422,851	407,000	15,851
Sewer Machine & Building Rental	-	1,500	(1,500)
Connects/Disconnects	-	16,000	(16,000)
Sewer Dump Station Fees	3,235	4,500	(1,265)
Sale of Equipment	-	5,000	(5,000)
Reimbursement	-	100	(100)
Total Sewer Department	<u>426,086</u>	<u>434,100</u>	<u>(8,014)</u>
Total Receipts	<u>1,347,409</u>	<u>\$ 1,588,850</u>	<u>\$ (241,441)</u>
EXPENDITURES			
Water Department			
Production			
Personal Services	23,922	\$ 25,000	\$ (1,078)
Contractual Services	142,838	210,000	(67,162)
Commodities	26,174	70,000	(43,826)
Capital Outlay	38,282	10,000	28,282
Total Production	<u>231,216</u>	<u>315,000</u>	<u>(83,784)</u>
Transmission & Distribution			
Personal Services	186,120	210,000	(23,880)
Contractual Services	134,608	180,000	(45,392)
Commodities	110,608	177,007	(66,399)
Capital Outlay	2,788	100,000	(97,212)
Total Transmission & Distribution	<u>434,124</u>	<u>667,007</u>	<u>(232,883)</u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-18
Page 2 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2019

WATER & SEWER UTILITY FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Water Department (Cont.)			
Water Commercial & General			
Personal Services	\$ 28,278	\$ 75,000	\$ (46,722)
Contractual Services	40,241	80,000	(39,759)
Commodities	1,135	5,000	
Capital Outlay	15,560	2,000	13,560
Total Water Commercial & General	85,214	162,000	(72,921)
Total Water Department	750,554	1,144,007	(393,453)
Sewer Department			
Sewer Commercial & General			
Personal Services	53,590	55,000	(1,410)
Contractual Services	116,279	80,000	36,279
Commodities	59,627	64,100	(4,473)
Capital Outlay	22,515	132,900	(110,385)
Total Sewer Commercial & General	252,011	332,000	(79,989)
Sewer Administration			
Personal Services	14,784	25,000	(10,216)
Contractual Services	16,202	90,000	(73,798)
Commodities	1,337	5,000	(3,663)
Capital Outlay	-	1,000	(1,000)
Total Sewer Administration	32,323	121,000	(88,677)
Total Sewer Department	284,334	453,000	(168,666)
Other Expenditures			
Sales Tax	13,944	35,000	(21,056)
State Water Fee	4,755	10,000	(5,245)
Kansas Clean Drinking Water Fee	4,457	12,465	(8,008)
Unexpected Expenditures	-	500,000	(500,000)
Outgoing Transfers			
Bond & Interest Fund	63,000	63,000	-
Capital Improvement Fund	-	120,000	(120,000)
Total Other Expenditures	86,156	740,465	(654,309)
Total Expenditures	1,121,044	\$ 2,337,472	\$ (1,216,428)
Receipts Over (Under) Expenditures	226,365		
UNENCUMBERED CASH, January 1, 2019	832,491		
UNENCUMBERED CASH, December 31, 2019	\$ 1,058,856		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-19

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2019

SOLID WASTE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Fees Collected	\$ 380,963	\$ 406,850	\$ (25,887)
Sales Tax Collected	73	1,000	(927)
Sale of Dumpsters	810	4,000	(3,190)
Equipment Rental	1,675	2,000	(325)
Other Cash Receipts	-	7,000	(7,000)
Yard Waste Receipts	5,769	7,500	(1,731)
	<u>389,290</u>	<u>\$ 428,350</u>	<u>\$ (39,060)</u>
EXPENDITURES			
Operating			
Personal Services	73,109	\$ 80,500	\$ (7,391)
Contractual Services	142,224	245,000	(102,776)
Commodities	20,692	30,000	(9,308)
Capital Outlay	5,041	36,436	(31,395)
Administration			
Personal Services	18,036	25,000	(6,964)
Contractual Services	15,901	15,000	901
Commodities	1,375	2,000	(625)
Capital Outlay	-	1,000	(1,000)
Outgoing Transfer			
Equipment Reserve Fund	74,036	-	74,036
Capital Improvement Fund	-	20,000	(20,000)
	<u>350,414</u>	<u>\$ 454,936</u>	<u>\$ (104,522)</u>
Receipts Over (Under) Expenditures	38,876		
UNENCUMBERED CASH, January 1, 2019	<u>88,542</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 127,418</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-20

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019

AQUATIC CENTER FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Retailer's Sales Tax	\$ 486,545	\$ 480,000	\$ 6,545
Swimming Pool Concessions	10,180	15,000	(4,820)
Swimming Lessons	4,738	7,000	(2,262)
Swimming Pool Tickets	22,655	40,000	(17,345)
Sales Tax Collected	916	12,000	(11,084)
Non Federal Grants & Gifts	-	5,000	(5,000)
Miscellaneous	2,030	2,000	30
	<u>527,064</u>	<u>\$ 561,000</u>	<u>\$ (33,936)</u>
Total Receipts			
EXPENDITURES			
Administration			
Personal Services	18,283	\$ 40,000	\$ (21,717)
Contractual Services	6,342	50,000	(43,658)
Commodities	-	30,453	(30,453)
Capital Outlay	-	5,000	(5,000)
Lease Payment	222,719	225,000	(2,281)
Indoor Pool			
Personal Services	54,890	65,000	(10,110)
Contractual Services	53,401	50,000	3,401
Commodities	11,388	50,000	(38,612)
Capital Outlay	-	10,000	(10,000)
Outdoor Pool			
Personal Services	67,183	70,000	(2,817)
Contractual Services	26,646	50,000	(23,354)
Commodities	19,770	50,000	(30,230)
Capital Outlay	-	5,000	(5,000)
Outgoing Transfer			
Capital Improvement Fund	-	18,500	(18,500)
	<u>480,622</u>	<u>\$ 718,953</u>	<u>\$ (238,331)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	46,442		
UNENCUMBERED CASH, January 1, 2019	<u>131,006</u>		
UNENCUMBERED CASH, December 31, 2019	<u>\$ 177,448</u>		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-21

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2019

ENDOWMENT FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 149</u>
EXPENDITURES	
	<u>-</u>
Receipts Over (Under) Expenditures	149
UNENCUMBERED CASH, January 1, 2019	<u>10,119</u>
UNENCUMBERED CASH, December 31, 2019	<u><u>\$ 10,268</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2019

AGENCY FUNDS

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Municipal Court Bonds	\$ 1,100	\$ 4,347	\$ 5,447	\$ -
Employee Flex Benefits	10,590	48,466	52,872	6,184
Meter Deposit	20,350	7,140	6,720	20,770
 Total	 \$ 32,040	 \$ 59,953	 \$ 65,039	 \$ 26,954

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, 2019

PUBLIC BUILDING COMMISSION
AQUATIC CENTER BOND & INTEREST FUND

	<u>Actual</u>
RECEIPTS	
Lease Income	\$ 222,719
Interest on Idle Funds	<u>3,743</u>
Total Receipts	<u>226,462</u>
EXPENDITURES	
Principal Payment	135,000
Interest Expense	<u>87,403</u>
Total Expenditures	<u>222,403</u>
Receipts Over (Under) Expenditures	4,059
UNENCUMBERED CASH, January 1, 2019	<u>80,071</u>
UNENCUMBERED CASH, December 31, 2019	<u><u>\$ 84,130</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, 2019

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, 2019	<u>138,555</u>
UNENCUMBERED CASH, December 31, 2019	<u><u>\$ 138,555</u></u>

CITY OF PHILLIPSBURG, KANSAS
ADDITIONAL SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 5

WATER AND SEWER UTILITY ALLOCATION
For the Year Ended December 31, 2019

SUMMARY FROM
WATER & SEWER UTILITY FUND

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
RECEIPTS	<u>\$ 921,323</u>	<u>\$ 426,086</u>	<u>\$ 1,347,409</u>
EXPENDITURES	<u>836,710</u>	<u>284,334</u>	<u>1,121,044</u>
Receipts Over (Under) Expenditures	84,613	141,752	226,365
UNENCUMBERED CASH, January 1, 2019	<u>337,165</u>	<u>495,326</u>	<u>832,491</u>
UNENCUMBERED CASH, December 31, 2019	<u><u>\$ 421,778</u></u>	<u><u>\$ 637,078</u></u>	<u><u>\$ 1,058,856</u></u>

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 6

EQUIPMENT RESERVE ALLOCATION

For the Year Ended December 31, 2019

	<u>Office</u>	<u>Solid Waste</u>	<u>Water</u>	<u>Sewer</u>	<u>Aquatic Center</u>	<u>Undesignated</u>	<u>Total</u>
Receipts	<u>\$ -</u>	<u>\$ 44,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 74,036</u>
Expenditures	<u>294</u>	<u>146,357</u>	<u>72,847</u>	<u>5,288</u>	<u>-</u>	<u>12,822</u>	<u>237,608</u>
Receipts Over (Under) Expenditures	<u>(294)</u>	<u>(102,321)</u>	<u>(72,847)</u>	<u>(5,288)</u>	<u>-</u>	<u>17,178</u>	<u>(163,572)</u>
UNENCUMBERED CASH, January 1, 2019	<u>67,720</u>	<u>109,084</u>	<u>306,998</u>	<u>144,625</u>	<u>50,000</u>	<u>286,732</u>	<u>965,159</u>
UNENCUMBERED CASH, December 31, 2019	<u><u>\$ 67,426</u></u>	<u><u>\$ 6,763</u></u>	<u><u>\$ 234,151</u></u>	<u><u>\$ 139,337</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 303,910</u></u>	<u><u>\$ 801,587</u></u>

CITY OF PHILLIPSBURG, KANSAS
UNAUDITED ADDITIONAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Exhibit 1

UNAUDITED ADDITIONAL INFORMATION
December 31, 2019

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	Current Estimated	2010	2000	1990	1980	1970
City of Phillipsburg:	2,486	2,581	2,668	2,828	3,229	3,241
Phillips County:	5,317	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>	
	2019	2.3%	
	2018	2.5%	
	2017	2.7%	
	2016	2.8%	
	2015	3.1%	
	2014	3.5%	
	2013	4.2%	
	2012	4.2%	
	2011	4.9%	
	2010	5.1%	

	<u>Civilian Work force</u>	<u>Total Employed</u>	<u>Unemployed</u>
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
2011	3,185	3,029	156
2010	3,103	2,946	157

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
Prairie Horizon Agri-Energy LLC	Ethanol & Distillers Grain
Coomes, Inc.	Transportation

UNAUDITED

CLIMATE

Average daily temperature:

January:	30 degrees
April:	55 degrees
July:	79 degrees
October:	49 degrees

Average annual precipitation: 24 inches

Average annual snowfall: 23 inches

Source: www.timeanddate.com/weather

BANK DEPOSITS - Phillipsburg - December 31

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2010	245,076,602	2015	304,136,850
2011	297,256,081	2016	301,091,132
2012	286,758,309	2017	330,979,720
2013	298,336,493	2018	313,959,643
2014	212,760,900	2019	355,145,072

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>
2010	122,903,973	2015	141,058,549
2011	175,612,706	2016	136,503,301
2012	151,371,873	2017	132,002,610
2013	160,523,074	2018	146,155,180
2014	158,619,485	2019	131,619,545

PHILLIPSBURG CITY SALES TAX COLLECTED BY STATE OF KANSAS

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2010	386,466	2015	799,621
2011	435,662	2016	762,991
2012	853,802	2017	789,280
2013	834,992	2018	808,424
2014	822,148	2019	819,954

TAXABLE RETAIL SALES - Phillipsburg City

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2010	36,656,731	2015	38,740,396
2011	43,566,227	2016	38,149,566
2012	40,690,111	2017	39,464,021
2013	37,754,811	2018	40,421,212
2014	41,107,400	2019	40,947,676

TAXABLE RETAIL SALES - Phillips County

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2010	52,079,343	2015	59,971,708
2011	60,623,600	2016	58,172,854
2012	59,716,108	2017	59,506,534
2013	55,559,592	2018	61,495,202
2014	63,141,600	2019	60,371,342

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, 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-five bed nonprofit Phillips County Hospital. There are two medical doctors, three 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, 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.

UNAUDITED

TAX STRUCTURE

The total sales tax rate (city, county, state) effective July 1, 2019 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
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
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

ASSESSED VALUATION HISTORY

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

UNAUDITED

CITY'S AUTHORITY TO INCUR DEBT

Equalized Assessed Valuation of Tangible Valuation For Computation of Bonded Debt Limitations	\$	13,698,673
Legal limitation of Bonded Debt	\$	4,109,602
Outstanding general obligation debt as of December 31, 2019	\$	330,000
Exempt Debt	\$	270,000
Net Debt against Statutory Debt limit capacity	\$	60,000
Additional debt capacity	\$	4,049,602
Direct debt per capita	\$	133
Overlapping Indebtedness	\$	490,232
Direct and overlapping debt	\$	820,232
Direct and overlapping debt per capita	\$	330
Direct debt as a percentage of Equalized Assessed Valuation		2.41%
Direct and overlapping debt as a percentage of Equalized Assessed Valuation		5.99%
Statutory direct debt as a percentage of Equalized Assessed Valuation		0.44%

UNAUDITED

OVERLAPPING INDEBTEDNESS

The following table sets forth overlapping indebtedness as of December 31, 2019, and the percent attributable (on the basis of assessed valuation) to the City.

<u>Taxing Jurisdiction</u>	<u>2019 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	\$ 71,013,133	\$ 3,007,797	16.30%	\$ 490,232
U.S.D. #325	\$ 36,484,068	\$ -	31.72%	\$ -

**Outstanding General Obligation Debt
(As of December 31, 2019)**

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>	<u>Amount Included In Debt Limitation</u>
2011 G.O. Bonds	2011	\$ 245,000	\$ 60,000	\$ 60,000
2015 G.O. Bonds	2015	\$ 1,635,000	\$ 270,000	\$ -

**Temporary Notes Outstanding
(As of December 31, 2019)**

None are outstanding as of December 31, 2019.

**Revenue Bonds Outstanding
(As of December 31, 2019)**

None are outstanding as of December 31, 2019.

**Outstanding Public Building Commission Revenue Bonds
(As of December 31, 2019)**

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
PBC Revenue Bonds	2011	\$ 3,070,000	\$ 2,080,000

**Loans Outstanding
(As of December 31, 2019)**

None are outstanding as of December 31, 2019.

**Capital Lease Obligations
(As of December 31, 2019)**

None are outstanding as of December 31, 2019.

UNAUDITED