

CITY OF PHILLIPSBURG

Phillipsburg, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2020

MAPES & MILLER  
Certified Public Accountants  
Phillipsburg, Kansas 67661

CITY OF PHILLIPSBURG

For the Year Ended December 31, 2020

Lance Munyon, Mayor

City Council

Pete Rogers  
Bret Miles  
Terry McConnell

Tracy Sanson  
Vickie Gibbs  
Mike James

City Offices

Tiffini Gross  
Jordyn Tweedy

City Clerk  
City Treasurer

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

For the Year Ended December 31, 2020

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CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

For the Year Ended December 31, 2020

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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, 2020 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, 2020, 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, 2020, 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 2020 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 2020 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 2020 basic financial statement.

Mayor and City Council  
City of Phillipsburg, Kansas  
September 7, 2021  
Page 3

The 2020 information has been subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 information is fairly stated in all material respects in relation to the 2020 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 7, 2021  
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, 2020

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	\$ 326,361	\$ -	\$ 1,186,287	\$ 1,292,449	\$ 220,199	\$ 72,623	\$ 292,822
Special Purpose Funds							
Equipment Reserve Fund	801,587	-	12,798	49,047	765,338	22,561	787,899
Library Fund	1,128	-	68,633	66,000	3,761	-	3,761
Employee Benefit Fund	140,873	-	459,505	519,878	80,500	-	80,500
Special Parks & Recreation Fund	41,149	-	6,581	1,758	45,972	-	45,972
Law Enforcement Fund	12,224	-	284,984	297,208	-	-	-
Fire Department Fund	57,584	-	76,138	46,593	87,129	34	87,163
Special Highway Fund	267,768	-	189,006	344,828	111,946	34	111,980
Fire Equipment Capital Outlay Fund	271,995	-	27,603	-	299,598	-	299,598
Industrial Development Fund	86,766	-	18,352	36,441	68,677	-	68,677
Foundation Grants Fund	7,629	-	10,500	9,500	8,629	-	8,629
Capital Improvements Fund	224,699	-	247,250	106,375	365,574	2,983	368,557
Bond & Interest Fund							
Bond & Interest Fund	51,339	-	81,632	95,112	37,859	-	37,859
Capital Projects Fund							
KDOT Airport Project Fund	-	-	25,961	332,422	(306,461) *	318,758	12,297
Airport Grant Fund	(47,160)	-	50,424	406,180	(402,916) *	402,916	-
KDOT Street Project Fund	-	-	-	81,753	(81,753) *	56,681	(25,072)
Quanz Reservoir Project Fund	(181,675)	-	-	418,130	(599,805) *	503,432	(96,373)
CDBG Water Project Fund	(19,700)	-	-	442,969	(462,669) *	457,612	(5,057)
AMR Water Meter Fund	(550,660)	23,911	443,364	-	(83,385) *	-	(83,385)
Business Funds							
Water & Sewer Utility Fund	1,058,856	-	1,310,463	1,171,464	1,197,855	32,457	1,230,312
Solid Waste Fund	127,418	-	395,442	303,130	219,730	1,193	220,923
Aquatic Center Fund	177,448	-	530,603	489,999	218,052	1,056	219,108
Trust Fund							
Endowment Fund	10,268	-	61	-	10,329	-	10,329
Related Municipal Entity							
Public Building Commission							
Aquatic Center Bond & Interest Fund	84,130	-	2,213,012	2,211,524	85,618	-	85,618
Aquatic Center Capital Project Fund	138,555	-	-	-	138,555	-	138,555
 Total Reporting Entity (Excluding Agency Funds)	 <u>\$ 3,088,582</u>	 <u>\$ 23,911</u>	 <u>\$ 7,638,599</u>	 <u>\$ 8,722,760</u>	 <u>\$ 2,028,332</u>	 <u>\$ 1,872,340</u>	 <u>\$ 3,900,672</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, 2020

Composition of Cash	
Cash on Hand	\$ 450
Checking Accounts	14,000
NOW Account	169,957
Money Market Account	693,140
Certificates of Deposit	2,831,548
Related Municipal Entity	<u>224,173</u>
Total Cash	3,933,268
Agency Funds Per Schedule 3	<u>(32,596)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,900,672</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, 2020

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, 2020.

**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 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

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, 2020.

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. 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 June 11, 2021. Additional securities were obtained subsequent to the violation.
- B. Bond Payments – K.S.A. 10-130 requires the City to remit the bond principal and interest due to the state fiscal agent at least 20 days prior to maturity. The payment on the Series 2011 General Obligation Bond was not remitted 20 days prior to maturity.
- C. The City is not aware of any other noncompliance with Kansas statutes.

## **3. CASH BASIS EXCEPTIONS**

- A. Authority is authorized under K.S.A. 74-8905 and the Loan Act to issue revenue bonds for the purpose of providing funds to implement the State's requirements under the Federal Act and to loan the same, together with available funds from the EPA costs. The City had a negative unencumbered cash balance in the Quanz Reservoir Project Fund and in the AMR Water Meter Fund at December 31, 2020, 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 agreement requires the City to expend the monies before they can request reimbursement, which caused the City to have negative unencumbered cash in the Airport Grant Fund at December 31, 2020. 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 agreement requires the City to expend the monies before they can request reimbursement, which caused the City to have negative unencumbered cash in the CDBG Water Project Fund at December 31, 2020. 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.

D. The City received grants from the Kansas Department of Transportation (KDOT). The grant agreements requires the City to expend the monies before they can request reimbursement, which caused the City to have negative unencumbered cash in the KDOT Street Project Fund and the KDOT Airport Project Fund at December 31, 2020. 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, 2020.

At December 31, 2020, the City’s carrying amount of deposits was \$3,932,818 and the bank balance was \$4,046,591. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance \$491,839 was covered by federal depository insurance, and \$3,554,752 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	\$ 284,984
General Operating Fund	Fire Department Fund	Home Rule Ord. 1405	55,000
General Operating Fund	Special Highway Fund	K.S.A. 12-1,119	100,000
General Operating Fund	Employee Flex Benefit Fund	K.S.A. 12-16,102	7,000
Water & Sewer Utility Fund	Bond & Interest Fund	K.S.A. 12-825d	62,000
Solid Waste Fund	Equipment Reserve Fund	K.S.A. 12-825d	12,798

## 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](http://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 8.61% for the fiscal year ended December 31, 2020. Contributions to the pension plan from the City were \$84,843 for the year ended December 31, 2020.

### Net Pension Liability

At December 31, 2020, the City's proportionate share of the collective net pension liability reported by KPERS was \$829,103. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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](http://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, 2020.

### **(c) Other Employee Benefits**

#### Vacation

All employees of the City, except temporary and part-time employees, accumulate vacation leave at a rate of ten days per year after their first year of employment. The rate of accumulation increases to fifteen days per year after seven years of employment, and twenty days per year after eighteen years of employment. Following the first six months of employment, no more than 150% of accrued vacation days available per year may be carried over from one anniversary date of employment to the next. Employees are paid for all accumulated vacation leave, at their current wage rate, upon termination of employment. As of December 31, 2020, the City owed \$61,632 of accumulated vacation leave to employees.

#### Sick leave

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

## **8. RISK MANAGEMENT**

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

Notwithstanding anything to the contrary, 2020 was marked by the COVID-19 pandemic and the unique responses at all levels of government and society. The City participated in various activities and governmental programs to address the public health, economic and societal well-being issues presented. The pandemic continues at the end of 2020 and the governmental program requirements are continuously evolving and unclear. The City does not currently anticipate material liability from its pandemic response.

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

Future minimum rental commitments are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 218,333
2022	219,000
2023	215,300
2024	221,600
2025	222,700
2026-2030	<u>987,100</u>
Total Future Minimum Lease Payments	<u>\$ 2,084,033</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	\$ 925,675	\$ 201,375
AMR Water Meters	\$ 535,329	\$ 535,329
Airport Improvement Project	\$ 880,220	\$ 724,335
KDOT Street Project	\$ 1,052,632	\$ 86,006



## **11. COVID-19 NOTE**

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

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through Strengthening People and Revitalizing Kansas (SPARK). SPARK’s first round distribution was to local governments in the amount of \$400 million. The City received CRF in the amount of \$17,325 during 2020. The City is encouraged to share the CRF with local businesses within the City. The CRF are to be used to strengthen health, to allow the economy to reopen safely and to remain open. The goals are to be fair, impactful and timely. Additional information and updates on SPARK, the CARES Act and CRF, which includes audit requirements, can be found at <https://covid.ks.gov/>.

## **12. SUBSEQUENT EVENTS**

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

The City approved amendment number one, dated 7/9/21, for the KDHE Kansas Public Water Supply Loan for the AMR Water Meter Project. The amendment reduced the principal amount of the loan from \$667,674 to \$535,329 and interest/service fees were reduced from \$53,341 to \$45,435.

Due to increased costs of the Quanz Reservoir project, the City is updating the KDHE Kansas Public Water Supply Loan. The amendment will increase the principal amount of the loan by \$225,000 less principal forgiveness of \$138,250, bringing the total loan amount to \$547,587. The interest rate of the loan will remain at 2.54%. Semi-annual payments are expected to increase from \$14,765 to \$17,545. The date of final maturity of the loan will be changed to February 1, 2042.

The City is expected to receive \$370,923 in American Rescue Plan Act (ARPA) funds. These economic stimulus funds are to assist in the long-term recovery from the economic and public health impacts related to the COVID-19 pandemic. The City received half of the ARPA funds, \$185,461, in July 2021. These funds must be obligated by December 31, 2024.

### 13. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2020, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 1/1/2020	Additions	Reductions/Payments	Ending Balance 12/31/2020	Interest/Service Fees Paid
General Obligation Bonds									
2011 General									
Obligation Bonds	2.85-2.90%	09/01/11	\$ 245,000	9/1/2021	\$ 60,000	\$ -	\$ 30,000	\$ 30,000	\$ 1,725
2015 General									
Obligation Bonds	2.25-2.95%	06/01/15	\$ 1,635,000	8/1/2024	270,000	-	55,000	215,000	6,388
Total General Obligation Bonds					330,000	-	85,000	245,000	8,113
KDHE Loans									
Kansas Public Water Supply	2.54%	01/21/19	\$ 460,837	8/1/2040	-	-	-	-	-
Kansas Public Water Supply	1.65%	01/06/20	\$ 535,329	8/1/2030	-	443,364	-	443,364	1,992
Total KDHE Loans					-	443,364	-	443,364	1,992
Public Building Commission									
Revenue Bonds Series 2011	3.25-4.1%	09/01/11	\$ 3,070,000	10/1/2031	2,080,000	-	2,080,000	-	83,352
Revenue Bonds Series 2020	2.00-4.1%	08/05/20	\$ 1,875,000	10/1/2030	-	1,875,000	-	1,875,000	-
Total Public Building Commission					2,080,000	1,875,000	2,080,000	1,875,000	83,352
Total Contractual Indebtedness					\$ 2,410,000	\$ 2,318,364	\$ 2,165,000	\$ 2,563,364	\$ 93,457

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

Year	General Obligation Bond		KDHE Loans		Revenue Bond (Public Building Commission)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 80,000	\$ 6,196	\$ 57,861	\$ 7,143	\$ 175,000	\$ 43,333	\$ 312,861	\$ 56,672
2022	55,000	4,115	49,632	7,674	185,000	34,000	289,632	45,789
2023	55,000	2,791	50,455	6,852	185,000	30,300	290,455	39,943
2024	55,000	1,254	51,291	6,016	195,000	26,600	301,291	33,870
2025	-	-	52,140	5,166	200,000	22,700	252,140	27,866
2026-2030	-	-	181,985	11,185	935,000	52,100	1,116,985	63,285
	\$ 245,000	\$ 14,356	\$ 443,364	\$ 44,036	\$ 1,875,000	\$ 209,033	\$ 2,563,364	\$ 267,425

**CITY OF PHILLIPSBURG, KANSAS**  
**REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2020

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	\$ 1,644,446	\$ -	\$ 1,644,446	\$ 1,292,449	\$ (351,997)
Special Purpose Funds					
Library Fund	66,000	-	66,000	66,000	-
Employee Benefit Fund	624,500	-	624,500	519,878	(104,622)
Special Parks & Recreation Fund	39,091	-	39,091	1,758	(37,333)
Law Enforcement Fund	297,208	-	297,208	297,208	-
Fire Department Fund	89,314	-	89,314	46,593	(42,721)
Special Highway Fund	561,182	-	561,182	344,828	(216,354)
Fire Equipment Capital Outlay Fund	203,090	-	203,090	-	(203,090)
Industrial Development Fund	70,600	-	70,600	36,441	(34,159)
Bond & Interest Fund					
Bond & Interest Fund	129,213	-	129,213	95,112	(34,101)
Business Funds					
Water & Sewer Utility Fund	2,079,491	-	2,079,491	1,171,464	(908,027)
Solid Waste Fund	487,042	-	487,042	303,130	(183,912)
Aquatic Center Fund	615,006	-	615,006	489,999	(125,007)

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2020

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Ad Valorem Tax	\$ 453,865	\$ 463,650	\$ (9,785)
Delinquent Tax	13,249	15,000	(1,751)
Motor Vehicle Tax	83,365	58,021	25,344
Intangibles Tax	24,903	23,190	1,713
Recreational Vehicle Tax	2,024	1,239	785
Excise Tax	5	108	(103)
16/20M Vehicle Tax	1,506	1,469	37
Commercial Vehicle Tax	2,799	1,839	960
Watercraft Tax	486	453	33
Neighborhood Revitalization Rebate	(10,643)	(10,545)	(98)
Special Assessment	3,309	150	3,159
Local Alcoholic Liquor Tax	6,581	7,482	(901)
Interest on Idle Funds	28,565	70,000	(41,435)
Franchise Tax	145,511	180,000	(34,489)
Animal Tags	715	2,200	(1,485)
Federal Grants	17,325	62,600	(45,275)
Fines	20,773	60,000	(39,227)
Reimbursements	-	35,000	(35,000)
Campground Fees	9,044	4,800	4,244
Local Retailer's Sales Tax	247,250	240,000	7,250
Licenses & Permits	3,608	6,000	(2,392)
Miscellaneous	993	2,400	(1,407)
Nonfederal Grants & Gifts	10,000	100,000	(90,000)
Building Rents	14,226	16,000	(1,774)
Cemetery Lots & Care	8,765	7,500	1,265
Airport Rents & Grains	6,985	10,000	(3,015)
Airport Aviation Gas & Oil	15,019	27,000	(11,981)
Airport Courtesy Car	28	100	(72)
Airport Sales Tax Collected	1,352	2,600	(1,248)
Airport Miscellaneous	4,182	-	4,182
Zoning Applications	400	500	(100)
Transportation Passes	7,880	8,500	(620)
Northwest Kansas Transit	59,805	50,000	9,805
Bad Checks/Debt Collected	2,412	-	2,412
<b>Total Receipts</b>	<b>1,186,287</b>	<b>\$ 1,447,256</b>	<b>\$ (260,969)</b>
<b>EXPENDITURES</b>			
General Government			
Personal Services	199,774	\$ 161,000	\$ 38,774
Contractual Services	40,814	75,000	(34,186)
Commodities	20,205	40,000	(19,795)
Capital Outlay	57,572	104,543	(46,971)
<b>Total General Government</b>	<b>318,365</b>	<b>380,543</b>	<b>(62,178)</b>

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2020

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
<b>EXPENDITURES (Cont.)</b>			
Community Building			
Personal Services	\$ 13,398	\$ 12,000	\$ 1,398
Contractual Services	12,893	20,000	(7,107)
Commodities	1,773	15,000	(13,227)
Capital Outlay	31,530	11,519	20,011
Total Community Building	<u>59,594</u>	<u>58,519</u>	<u>1,075</u>
Municipal Court			
Personal Services	26,066	30,000	(3,934)
Contractual Services	8,633	20,000	(11,367)
Commodities	393	3,000	(2,607)
Total Municipal Court	<u>35,092</u>	<u>53,000</u>	<u>(17,908)</u>
Park Department			
Personal Services	22,486	32,200	(9,714)
Contractual Services	11,840	17,000	(5,160)
Commodities	10,796	23,000	(12,204)
Capital Outlay	-	7,500	(7,500)
Total Park Department	<u>45,122</u>	<u>79,700</u>	<u>(34,578)</u>
Cemetery			
Personal Services	16,499	30,000	(13,501)
Contractual Services	12,378	12,000	378
Commodities	5,097	7,000	(1,903)
Total Cemetery	<u>33,974</u>	<u>49,000</u>	<u>(15,026)</u>
Street Lighting			
Contractual Services	42,929	55,000	(12,071)
Airport			
Personal Services	15,954	14,000	1,954
Contractual Services	121,504	30,000	91,504
Commodities	15,324	45,000	(29,676)
Capital Outlay	-	5,000	(5,000)
Total Airport	<u>152,782</u>	<u>94,000</u>	<u>58,782</u>
Planning Department			
Contractual Services	451	4,000	(3,549)

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2020

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
<b>EXPENDITURES (Cont.)</b>			
Transportation Department			
Personal Services	\$ 36,511	\$ 42,000	\$ (5,489)
Contractual Services	4,991	10,000	(5,009)
Commodities	7,352	7,000	352
Capital Outlay	-	10,000	(10,000)
Total Transportation Department	<u>48,854</u>	<u>69,000</u>	<u>(20,146)</u>
Library Support			
Personal Services	4,791	10,000	(5,209)
Contractual Services	39,943	40,000	(57)
Commodities	480	1,000	(520)
Capital Outlay	-	3,000	(3,000)
Total Library Support	<u>45,214</u>	<u>54,000</u>	<u>(8,786)</u>
Shade Tree			
Contractual Services	<u>700</u>	<u>6,000</u>	<u>(5,300)</u>
Armory			
Personal Services	11,045	6,000	5,045
Contractual Services	13,621	20,000	(6,379)
Commodities	4,721	8,000	(3,279)
Capital Outlay	28,160	10,000	18,160
Total Armory	<u>57,547</u>	<u>44,000</u>	<u>13,547</u>
Concrete Improvements			
Commodities	<u>1,360</u>	<u>30,000</u>	<u>(28,640)</u>
Code Enforcement			
Personal Services	1,802	3,000	(1,198)
Contractual Services	-	1,000	(1,000)
Total Code Enforcement	<u>1,802</u>	<u>4,000</u>	<u>(2,198)</u>
Animal Control			
Personal Services	1,106	1,200	(94)
Contractual Services	335	1,000	(665)
Commodities	238	1,500	(1,262)
Total Animal Control	<u>1,679</u>	<u>3,700</u>	<u>(2,021)</u>

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2020

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Miscellaneous	\$ -	\$ 50,000	\$ (50,000)
Outgoing Transfers			
Law Enforcement Fund	284,984	284,984	-
Fire Department Fund	55,000	55,000	-
Special Highway Fund	100,000	190,000	(90,000)
Equipment Reserve Fund	-	80,000	(80,000)
Employee Flex Benefits Fund	7,000	-	7,000
Total Outgoing Transfers	446,984	609,984	(163,000)
Total Expenditures	1,292,449	\$ 1,644,446	\$ (351,997)
Receipts Over (Under) Expenditures	(106,162)		
UNENCUMBERED CASH, January 1, 2020	326,361		
UNENCUMBERED CASH, December 31, 2020	\$ 220,199		



CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2020

EQUIPMENT RESERVE FUND

	<u>Actual</u>
RECEIPTS	
Incoming Transfer	
Solid Waste Fund	<u>\$ 12,798</u>
EXPENDITURES	
Capital Outlay	<u>49,047</u>
Receipts Over (Under) Expenditures	(36,249)
UNENCUMBERED CASH, January 1, 2020	<u>801,587</u>
UNENCUMBERED CASH, December 31, 2020	<u><u>\$ 765,338</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, 2020

LIBRARY FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Ad Valorem Tax	\$ 56,653	\$ 57,882	\$ (1,229)
Delinquent Tax	1,865	2,500	(635)
Motor Vehicle Tax	10,554	7,193	3,361
Recreational Vehicle Tax	254	153	101
Excise Tax	1	13	(12)
16/20M Vehicle Tax	224	182	42
Commercial Vehicle Tax	350	228	122
Watercraft Tax	60	56	4
Neighborhood Revitalization Rebate	(1,328)	(1,307)	(21)
<b>Total Receipts</b>	<u>68,633</u>	<u>\$ 66,900</u>	<u>\$ 1,733</u>
<b>EXPENDITURES</b>			
Appropriation to Library Board	<u>66,000</u>	<u>\$ 66,000</u>	<u>\$ -</u>
<b>Total Expenditures</b>	<u>66,000</u>	<u>\$ 66,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	2,633		
UNENCUMBERED CASH, January 1, 2020	<u>1,128</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 3,761</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, 2020

EMPLOYEE BENEFIT FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Ad Valorem Tax	\$ 131,994	\$ 134,820	\$ (2,826)
Delinquent Tax	5,525	7,500	(1,975)
Motor Vehicle Tax	25,439	16,323	9,116
Recreational Vehicle Tax	603	348	255
Excise Tax	2	30	(28)
16/20M Vehicle Tax	762	413	349
Commercial Vehicle Tax	811	517	294
Watercraft Tax	137	127	10
Neighborhood Revitalization Rebate	(3,095)	(2,966)	(129)
Employee/Employer Contributions	293,873	336,000	(42,127)
Miscellaneous	640	2,000	(1,360)
Reimbursements	2,814	2,200	614
	<u>459,505</u>	<u>\$ 497,312</u>	<u>\$ (37,807)</u>
<b>EXPENDITURES</b>			
Social Security & Medicare	72,567	\$ 100,000	\$ (27,433)
Retirement	89,633	100,000	(10,367)
Workman's Compensation	20,821	40,000	(19,179)
Unemployment Insurance	8,204	5,500	2,704
Life & Disability Insurance	2,876	5,000	(2,124)
Account Administration	606	4,000	(3,394)
Health Savings Account Contribution	1,000	-	1,000
Health Insurance	318,171	370,000	(51,829)
Other Insurance Premium	6,000	-	6,000
	<u>519,878</u>	<u>\$ 624,500</u>	<u>\$ (104,622)</u>
Receipts Over (Under) Expenditures	(60,373)		
UNENCUMBERED CASH, January 1, 2020	<u>140,873</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 80,500</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, 2020

SPECIAL PARKS & RECREATION FUND

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
RECEIPTS			
Local Alcoholic Liquor Tax	\$ 6,581	\$ 7,482	\$ (901)
Nonfederal Grants & Gifts	<u>-</u>	<u>250</u>	<u>(250)</u>
Total Receipts	<u>6,581</u>	<u>\$ 7,732</u>	<u>\$ (1,151)</u>
EXPENDITURES			
Contractual Services	215	\$ 20,000	\$ (19,785)
Commodities	-	3,250	(3,250)
Capital Outlay	<u>1,543</u>	<u>15,841</u>	<u>(14,298)</u>
Total Expenditures	<u>1,758</u>	<u>\$ 39,091</u>	<u>\$ (37,333)</u>
Receipts Over (Under) Expenditures	4,823		
UNENCUMBERED CASH, January 1, 2020	<u>41,149</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 45,972</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, 2020

LAW ENFORCEMENT FUND

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
RECEIPTS			
Incoming Transfer			
General Operating Fund	\$ 284,984	\$ 284,984	\$ -
EXPENDITURES			
Contractual Services	297,208	\$ 297,208	\$ -
Receipts Over (Under) Expenditures	(12,224)		
UNENCUMBERED CASH, January 1, 2020	<u>12,224</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ -</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, 2020

FIRE DEPARTMENT FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Rural Fire Contracts	\$ 21,138	\$ 19,000	\$ 2,138
Office & Building Rent	-	1,700	(1,700)
Incoming Transfer			
General Operating Fund	55,000	55,000	-
	<u>76,138</u>	<u>\$ 75,700</u>	<u>\$ 438</u>
<b>EXPENDITURES</b>			
City Fire Department			
Personal Services	3,323	\$ -	\$ 3,323
Contractual Services	7,000	16,000	(9,000)
Commodities	13,628	16,000	(2,372)
Capital Outlay	-	8,000	(8,000)
Rural Fire Department			
Contractual Services	9,390	11,000	(1,610)
Commodities	13,252	21,314	(8,062)
Capital Outlay	-	17,000	(17,000)
	<u>46,593</u>	<u>\$ 89,314</u>	<u>\$ (42,721)</u>
Receipts Over (Under) Expenditures	29,545		
UNENCUMBERED CASH, January 1, 2020	<u>57,584</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 87,129</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, 2020

SPECIAL HIGHWAY FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Highway Connecting Links	\$ 24,807	\$ 18,000	\$ 6,807
Special Highway Tax	64,167	68,510	(4,343)
Sale of Equipment	29	5,000	(4,971)
Sales Tax Collected	3	300	(297)
Miscellaneous	-	5,000	(5,000)
Incoming Transfer			
General Operating Fund	100,000	190,000	(90,000)
	<u>189,006</u>	<u>\$ 286,810</u>	<u>\$ (97,804)</u>
<b>EXPENDITURES</b>			
Operating			
Personal Services	101,935	\$ 130,000	\$ (28,065)
Contractual Services	25,684	120,000	(94,316)
Commodities	51,226	112,000	(60,774)
Capital Outlay	161,862	174,000	(12,138)
Administration			
Personal Services	3,821	25,000	(21,179)
Contractual Services	-	182	(182)
Commodities	300	-	300
	<u>344,828</u>	<u>\$ 561,182</u>	<u>\$ (216,354)</u>
Receipts Over (Under) Expenditures	(155,822)		
UNENCUMBERED CASH, January 1, 2020	<u>267,768</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 111,946</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, 2020

FIRE EQUIPMENT CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Ad Valorem Tax	\$ 22,661	\$ 23,153	\$ (492)
Delinquent Tax	746	1,100	(354)
Motor Vehicle Tax	4,221	2,877	1,344
Recreational Vehicle Tax	102	61	41
Excise Tax	-	5	(5)
16/20M Vehicle Tax	90	73	17
Commercial Vehicle Tax	140	91	49
Watercraft Tax	24	22	2
Neighborhood Revitalization Rebate	(531)	(523)	(8)
Nonfederal Grants & Gifts	150	5,000	(4,850)
Miscellaneous	-	1,200	(1,200)
	<u>27,603</u>	<u>\$ 33,059</u>	<u>\$ (5,456)</u>
<b>EXPENDITURES</b>			
Capital Outlay	-	<u>\$ 203,090</u>	<u>\$ (203,090)</u>
Receipts Over (Under) Expenditures	27,603		
UNENCUMBERED CASH, January 1, 2020	<u>271,995</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 299,598</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, 2020

INDUSTRIAL DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Ad Valorem Tax	\$ 11,331	\$ 11,573	\$ (242)
Delinquent Tax	373	600	(227)
Motor Vehicle Tax	2,111	1,439	672
Recreational Vehicle Tax	51	31	20
Excise Tax	-	3	(3)
16/20M Vehicle Tax	45	36	9
Commercial Vehicle Tax	70	46	24
Watercraft Tax	12	11	1
Neighborhood Revitalization Rebate	(266)	(261)	(5)
Disaster Relief Program	3,125	-	3,125
Local Grants	1,500	-	1,500
	<u>18,352</u>	<u>\$ 13,478</u>	<u>\$ 4,874</u>
<b>EXPENDITURES</b>			
Contractual Services	1,991	\$ 70,600	\$ (68,609)
Disaster Relief Program	7,500	-	7,500
Economic Stimulus	26,950	-	26,950
	<u>36,441</u>	<u>\$ 70,600</u>	<u>\$ (34,159)</u>
Receipts Over (Under) Expenditures	(18,089)		
UNENCUMBERED CASH, January 1, 2020	<u>86,766</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 68,677</u>		

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Schedule 2-11

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2020

FOUNDATION GRANTS FUND

	<u>Actual</u>
RECEIPTS	
Nonfederal Grant & Gifts	<u>\$ 10,500</u>
EXPENDITURES	
Contractual Services	<u>9,500</u>
Receipts Over (Under) Expenditures	1,000
UNENCUMBERED CASH, January 1, 2020	<u>7,629</u>
UNENCUMBERED CASH, December 31, 2020	<u><u>\$ 8,629</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, 2020

CAPITAL IMPROVEMENT FUND

	<u>Actual</u>
RECEIPTS	
Local Retailer's Sales Tax	<u>\$ 247,250</u>
EXPENDITURES	
Street	
Contractual Services	4,703
Commodities	1,219
Capital Outlay	18,528
Water Production	
Capital Outlay	970
Water Distribution	
Capital Outlay	2,696
Sewer	
Commodities	23,780
Capital Outlay	<u>54,479</u>
Total Expenditures	<u>106,375</u>
Receipts Over (Under) Expenditures	140,875
UNENCUMBERED CASH, January 1, 2020	<u>224,699</u>
UNENCUMBERED CASH, December 31, 2020	<u><u>\$ 365,574</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, 2020

BOND & INTEREST FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Ad Valorem Tax	\$ 14,930	\$ 15,238	\$ (308)
Delinquent Tax	1,103	1,800	(697)
Motor Vehicle Tax	3,563	1,922	1,641
Recreational Vehicle Tax	81	41	40
Excise Tax	-	4	(4)
16/20M Vehicle Tax	186	49	137
Commercial Vehicle Tax	102	61	41
Watercraft Tax	16	15	1
Neighborhood Revitalization Rebate	(349)	(349)	-
Incoming Transfer			
Water & Sewer Utility Fund	62,000	62,000	-
	<u>81,632</u>	<u>\$ 80,781</u>	<u>\$ 851</u>
<b>EXPENDITURES</b>			
Commission & Postage	7	\$ 100	\$ (93)
Reserve for Cash	-	36,000	(36,000)
KLINK Bond Principal	30,000	30,000	-
KLINK Bond Interest	1,725	1,725	-
General Obligation Bond Principal Water	55,000	55,000	-
General Obligation Bond Interest Water	6,388	6,388	-
KDHE Loan Interest	1,992	-	1,992
	<u>95,112</u>	<u>\$ 129,213</u>	<u>\$ (34,101)</u>
Receipts Over (Under) Expenditures	(13,480)		
UNENCUMBERED CASH, January 1, 2020	<u>51,339</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 37,859</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, 2020

KDOT AIRPORT PROJECT FUND

	<u>Actual</u>
RECEIPTS	
State Grant	<u>\$ 25,961</u>
EXPENDITURES	
Contractual Services	<u>332,422</u>
Receipts Over (Under) Expenditures	(306,461)
UNENCUMBERED CASH, January 1, 2020	<u>-</u>
UNENCUMBERED CASH, December 31, 2020	<u>\$ (306,461) *</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, 2020

AIRPORT GRANT FUND

	<u>Actual</u>
RECEIPTS	
Federal Grant	<u>\$ 50,424</u>
EXPENDITURES	
Contractual Services	<u>406,180</u>
Receipts Over (Under) Expenditures	(355,756)
UNENCUMBERED CASH, January 1, 2020	<u>(47,160)</u>
UNENCUMBERED CASH, December 31, 2020	<u>\$ (402,916) *</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, 2020

KDOT STREET PROJECT FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	
Contractual Services	<u>81,753</u>
Receipts Over (Under) Expenditures	(81,753)
UNENCUMBERED CASH, January 1, 2020	<u>-</u>
UNENCUMBERED CASH, December 31, 2020	<u>\$ (81,753) *</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, 2020

QUANZ RESERVOIR PROJECT FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	<u>418,130</u>
Receipts Over (Under) Expenditures	(418,130)
UNENCUMBERED CASH, January 1, 2020	<u>(181,675)</u>
UNENCUMBERED CASH, December 31, 2020	<u>\$ (599,805) *</u>

\* See Note 3, Cash Basis Exceptions



CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Schedule 2-18

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2020

CDBG WATER PROJECT FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	
Contractual Services	<u>442,969</u>
Receipts Over (Under) Expenditures	(442,969)
UNENCUMBERED CASH, January 1, 2020	<u>(19,700)</u>
UNENCUMBERED CASH, December 31, 2020	<u>\$ (462,669) *</u>

\* See Note 3, Cash Basis Exceptions

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Schedule 2-19

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2020

AMR WATER METER FUND

	<u>Actual</u>
RECEIPTS	
KDHE Loan Proceeds	<u>\$ 443,364</u>
EXPENDITURES	<u>-</u>
Receipts Over (Under) Expenditures	443,364
UNENCUMBERED CASH, January 1, 2020	(550,660)
Prior Year Cancelled Encumbrances	<u>23,911</u>
UNENCUMBERED CASH, December 31, 2020	<u>\$ (83,385) *</u>

\* See Note 3, Cash Basis Exceptions

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Schedule 2-20  
Page 1 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2020

WATER & SEWER UTILITY FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Water Department			
Water Sales	\$ 850,899	\$ 905,000	\$ (54,101)
Penalties	8,967	13,000	(4,033)
Sales Tax Collected	13,137	17,000	(3,863)
Miscellaneous	646	50,000	(49,354)
Coin Machine Water Sales	1,141	1,500	(359)
Water Protection Fee	4,226	5,500	(1,274)
Sale of Equipment	135	1,500	(1,365)
Return Check Charge	140	1,500	(1,360)
Connects/Disconnects	9,970	10,500	(530)
Total Water Department	889,261	1,005,500	(116,239)
Sewer Department			
Sewer Charges	418,811	430,000	(11,189)
Sewer Dump Station Fees	2,391	3,500	(1,109)
Sale of Equipment	-	1,000	(1,000)
Total Sewer Department	421,202	434,500	(13,298)
Total Receipts	1,310,463	\$ 1,440,000	\$ (129,537)
<b>EXPENDITURES</b>			
Water Department			
Water Production			
Personal Services	33,592	\$ 28,000	\$ 5,592
Contractual Services	94,782	240,000	(145,218)
Commodities	9,964	50,000	(40,036)
Capital Outlay	75,078	125,000	(49,922)
Total Water Production	213,416	443,000	(229,584)
Water Transmission & Distribution			
Personal Services	177,535	222,000	(44,465)
Contractual Services	187,013	180,000	7,013
Commodities	99,483	155,000	(55,517)
Capital Outlay	25,185	205,000	(179,815)
Total Water Transmission & Distribution	489,216	762,000	(272,784)
Water Commercial & General			
Personal Services	29,529	45,000	(15,471)
Contractual Services	45,397	65,000	(19,603)
Commodities	1,659	5,000	(3,341)
Capital Outlay	-	5,000	(5,000)
Total Water Commercial & General	76,585	120,000	(43,415)

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Schedule 2-20  
Page 2 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2020

WATER & SEWER UTILITY FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Water Department (Cont.)			
Water Non-Operating			
Sales Tax	\$ 13,432	\$ 20,000	\$ (6,568)
State Water Fee	4,196	10,000	(5,804)
Kansas Clean Drinking Water Fee	3,933	7,000	(3,067)
Miscellaneous	-	30,000	(30,000)
Total Water Non-Operating	21,561	67,000	(45,439)
Total Water Department	800,778	1,392,000	(591,222)
Sewer Department			
Sewer Commercial & General			
Personal Services	64,229	75,000	(10,771)
Contractual Services	121,306	150,000	(28,694)
Commodities	57,205	64,100	(6,895)
Capital Outlay	28,500	126,391	(97,891)
Total Sewer Commercial & General	271,240	415,491	(144,251)
Sewer Administration			
Personal Services	18,009	25,000	(6,991)
Contractual Services	18,583	25,000	(6,417)
Commodities	854	5,000	(4,146)
Capital Outlay	-	5,000	(5,000)
Total Sewer Administration	37,446	60,000	(22,554)
Total Sewer Department	308,686	475,491	(166,805)
Outgoing Transfers			
Bond & Interest Fund	62,000	62,000	-
Equipment Reserve Fund	-	150,000	(150,000)
Total Outgoing Transfers	62,000	212,000	(150,000)
Total Expenditures	1,171,464	\$ 2,079,491	\$ (908,027)
Receipts Over (Under) Expenditures	138,999		
UNENCUMBERED CASH, January 1, 2020	1,058,856		
UNENCUMBERED CASH, December 31, 2020	\$ 1,197,855		

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Schedule 2-21

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2020

SOLID WASTE FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Fees Collected	\$ 384,935	\$ 386,000	\$ (1,065)
Sales Tax Collected	146	-	146
Sale of Dumpsters	1,620	-	1,620
Equipment Rental	1,925	1,800	125
Miscellaneous	804	-	804
Yard Waste Receipts	6,012	6,000	12
	<u>395,442</u>	<u>\$ 393,800</u>	<u>\$ 1,642</u>
<b>EXPENDITURES</b>			
Operating			
Personal Services	77,754	\$ 86,000	\$ (8,246)
Contractual Services	155,288	211,042	(55,754)
Commodities	13,194	60,000	(46,806)
Capital Outlay	-	30,000	(30,000)
Administration			
Personal Services	21,383	20,000	1,383
Contractual Services	21,182	30,000	(8,818)
Commodities	1,531	5,000	(3,469)
Capital Outlay	-	20,000	(20,000)
Outgoing Transfer			
Equipment Reserve Fund	12,798	25,000	(12,202)
	<u>303,130</u>	<u>\$ 487,042</u>	<u>\$ (183,912)</u>
Receipts Over (Under) Expenditures	92,312		
UNENCUMBERED CASH, January 1, 2020	<u>127,418</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 219,730</u>		

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Schedule 2-22

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2020

AQUATIC CENTER FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Local Retailer's Sales Tax	\$ 494,500	\$ 480,000	\$ 14,500
Swimming Pool Concessions	10,481	-	10,481
Swimming Lessons	3,710	-	3,710
Swimming Pool Tickets	20,111	36,500	(16,389)
Sales Tax Collected	943	1,000	(57)
Miscellaneous	403	-	403
Donations	455	-	455
	<u>530,603</u>	<u>\$ 517,500</u>	<u>\$ 13,103</u>
<b>EXPENDITURES</b>			
Administration			
Personal Services	20,122	\$ 50,000	\$ (29,878)
Contractual Services	8,037	30,000	(21,963)
Commodities	222	2,000	(1,778)
Capital Outlay	-	5,000	(5,000)
Lease Payment	221,679	230,000	(8,321)
Indoor Pool			
Personal Services	48,661	47,000	1,661
Contractual Services	43,098	93,500	(50,402)
Commodities	21,595	27,553	(5,958)
Capital Outlay	-	10,000	(10,000)
Outdoor Pool			
Personal Services	67,278	52,000	15,278
Contractual Services	22,625	32,500	(9,875)
Commodities	32,432	30,453	1,979
Capital Outlay	4,250	5,000	(750)
	<u>489,999</u>	<u>\$ 615,006</u>	<u>\$ (125,007)</u>
Receipts Over (Under) Expenditures	40,604		
UNENCUMBERED CASH, January 1, 2020	<u>177,448</u>		
UNENCUMBERED CASH, December 31, 2020	<u>\$ 218,052</u>		

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Schedule 2-23

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2020

ENDOWMENT FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$          61</u>
EXPENDITURES	
	<u>-</u>
Receipts Over (Under) Expenditures	61
UNENCUMBERED CASH, January 1, 2020	<u>10,268</u>
UNENCUMBERED CASH, December 31, 2020	<u><u>\$      10,329</u></u>

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Schedule 3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS  
For the Year Ended December 31, 2020

AGENCY FUNDS

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Municipal Court Bonds	\$ -	\$ 5,251	\$ 5,151	\$ 100
Employee Flex Benefits	6,184	78,487	72,745	11,926
Meter Deposit	20,770	6,020	6,220	20,570
 Total	 \$ 26,954	 \$ 89,758	 \$ 84,116	 \$ 32,596



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, 2020

PUBLIC BUILDING COMMISSION  
AQUATIC CENTER BOND & INTEREST FUND

	<u>Actual</u>
RECEIPTS	
Lease Income	\$ 221,679
Bond Premium	114,749
Bond Proceeds	1,875,000
Interest on Idle Funds	<u>1,584</u>
Total Receipts	<u>2,213,012</u>
EXPENDITURES	
Principal Payment	2,080,000
Interest Expense	83,352
Financial Advisor	19,721
Legal	345
Miscellaneous	14,520
Registration Fees	2,674
Underwriters Discount	<u>10,912</u>
Total Expenditures	<u>2,211,524</u>
Receipts Over (Under) Expenditures	1,488
UNENCUMBERED CASH, January 1, 2020	<u>84,130</u>
UNENCUMBERED CASH, December 31, 2020	<u>\$ 85,618</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, 2020

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, 2020	<u>138,555</u>
UNENCUMBERED CASH, December 31, 2020	<u><u>\$ 138,555</u></u>

**CITY OF PHILLIPSBURG, KANSAS**  
**ADDITIONAL SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Schedule 5

WATER AND SEWER UTILITY ALLOCATION  
For the Year Ended December 31, 2020

SUMMARY FROM  
WATER & SEWER UTILITY FUND

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
RECEIPTS	\$ 889,261	\$ 421,202	\$ 1,310,463
EXPENDITURES	<u>862,778</u>	<u>308,686</u>	<u>1,171,464</u>
Receipts Over (Under) Expenditures	26,483	112,516	138,999
UNENCUMBERED CASH, January 1, 2020	<u>421,778</u>	<u>637,078</u>	<u>1,058,856</u>
UNENCUMBERED CASH, December 31, 2020	<u>\$ 448,261</u>	<u>\$ 749,594</u>	<u>\$ 1,197,855</u>

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Schedule 6

EQUIPMENT RESERVE ALLOCATION

For the Year Ended December 31, 2020

	Office	Solid Waste	Water	Sewer	Aquatic Center	Undesignated	Total
Receipts	\$ -	\$ 12,798	\$ -	\$ -	\$ -	\$ -	\$ 12,798
Expenditures	-	4,138	27,859	-	-	17,050	49,047
Receipts Over (Under) Expenditures	-	8,660	(27,859)	-	-	(17,050)	(36,249)
UNENCUMBERED CASH, January 1, 2020	67,426	6,763	234,151	139,337	50,000	303,910	801,587
UNENCUMBERED CASH, December 31, 2020	<u>\$ 67,426</u>	<u>\$ 15,423</u>	<u>\$ 206,292</u>	<u>\$ 139,337</u>	<u>\$ 50,000</u>	<u>\$ 286,860</u>	<u>\$ 765,338</u>

**CITY OF PHILLIPSBURG, KANSAS**  
**UNAUDITED ADDITIONAL INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

CITY OF PHILLIPSBURG  
Phillipsburg, Kansas

Exhibit 1

UNAUDITED ADDITIONAL INFORMATION  
December 31, 2020

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

**THE CITY**

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

**EDUCATIONAL FACILITIES**

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

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

**ECONOMIC AND DEMOGRAPHIC INFORMATION**

**LOCATION (City of Phillipsburg)**

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

**POPULATION**

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

**PUBLIC SAFETY**

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

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

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**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>	
	2020	3.2%	
	2019	2.3%	
	2018	2.5%	
	2017	2.7%	
	2016	2.8%	
	2015	3.1%	
	2014	3.5%	
	2013	4.2%	
	2012	4.2%	
	2011	4.9%	

  

	<u>Civilian Work force</u>	<u>Total Employed</u>	<u>Unemployed</u>
2020	2,743	2,655	88
2019	2,662	2,601	61
2018	2,862	2,790	72
2017	2,811	2,728	83
2016	2,870	2,790	80
2015	2,986	2,892	94
2014	2,951	2,848	103
2013	3,048	2,920	128
2012	3,128	2,996	132
2011	3,185	3,029	156

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

[www.dol.ks.gov](http://www.dol.ks.gov)

**MAJOR EMPLOYERS - Phillipsburg Area**

Some of the larger employers in the area include:

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

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**CLIMATE**

Average daily temperature:

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

Average annual precipitation: 7.09 inches

Average annual snowfall: 21 inches

Source: www.timeanddate.com/weather

**BANK DEPOSITS - Phillipsburg - December 31**

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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
2015	304,136,850	2020	369,420,262

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

**GROSS RETAIL SALES - Phillips County**

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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
2015	141,058,549	2020	126,482,218

**PHILLIPSBURG CITY SALES TAX COLLECTED BY STATE OF KANSAS**

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2011	435,662	2016	762,991
2012	853,802	2017	789,280
2013	834,992	2018	808,424
2014	822,148	2019	819,954
2015	799,621	2020	804,957

**TAXABLE RETAIL SALES - Phillipsburg City**

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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
2015	38,740,396	2020	40,247,874

**TAXABLE RETAIL SALES - Phillips County**

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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
2015	59,971,708	2020	60,199,314

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

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## **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 is one medical doctor, 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.

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**TAX STRUCTURE**

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

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

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

Levy Year	Budget	City of		USD #325	Other	State	Total
	Year	Phillipburg	Phillips County				
2020	2021	65.101	91.610	42.066	2.014	1.500	202.291
2019	2020	61.024	90.180	42.392	2.016	1.500	197.112
2018	2020	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

**ASSESSED VALUATION HISTORY**

Year	Assessed Valuation of Taxable Tangible Property	Tangible Valuation of Motor Vehicles	Equalized Assessed Valuation of Taxable Tangible Property
2020	\$ 12,047,745	\$ 2,632,869	\$ 14,680,614
2019	\$ 11,574,213	\$ 2,124,460	\$ 13,698,673
2018	\$ 11,161,384	\$ 2,632,724	\$ 13,794,108
2017	\$ 10,510,208	\$ 2,719,899	\$ 13,230,107
2016	\$ 10,409,798	\$ 2,649,873	\$ 13,059,671
2015	\$ 10,196,292	\$ 2,626,446	\$ 12,822,738
2014	\$ 10,065,188	\$ 2,741,503	\$ 12,806,691
2013	\$ 10,047,051	\$ 2,738,728	\$ 12,785,779
2012	\$ 10,005,718	\$ 2,728,947	\$ 12,734,665
2011	\$ 10,045,331	\$ 2,690,621	\$ 12,735,952

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**CITY'S AUTHORITY TO INCUR DEBT**

Equalized Assessed Valuation of Tangible Valuation For Computation of Bonded Debt Limitations	\$	14,680,614
Legal limitation of Bonded Debt	\$	4,404,184
Outstanding general obligation debt as of December 31, 2020	\$	245,000
Exempt Debt	\$	215,000
Net Debt against Statutory Debt limit capacity	\$	30,000
Additional debt capacity	\$	4,374,184
Direct debt per capita	\$	101
Overlapping Indebtedness	\$	453,169
Direct and overlapping debt	\$	698,169
Direct and overlapping debt per capita	\$	288
Direct debt as a percentage of Equalized Assessed Valuation		1.67%
Direct and overlapping debt as a percentage of Equalized Assessed Valuation		4.76%
Statutory direct debt as a percentage of Equalized Assessed Valuation		0.20%

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**OVERLAPPING INDEBTEDNESS**

The following table sets forth overlapping indebtedness as of December 31, 2020, and the percent attributable (on the basis of assessed valuation) to the City.

<u>Taxing Jurisdiction</u>	<u>2020 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	\$ 71,615,687	\$ 2,693,780	16.82%	\$ 453,169
U.S.D. #325	\$ 36,947,546	\$ -	32.61%	\$ -

**Outstanding General Obligation Debt  
(As of December 31, 2020)**

<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	\$ 30,000	\$ 30,000
2015 G.O. Bonds	2015	\$ 1,635,000	\$ 215,000	\$ -

**Temporary Notes Outstanding  
(As of December 31, 2020)**

None are outstanding as of December 31, 2020.

**Revenue Bonds Outstanding  
(As of December 31, 2020)**

None are outstanding as of December 31, 2020.

**Outstanding Public Building Commission Revenue Bonds  
(As of December 31, 2020)**

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

**Loans Outstanding  
(As of December 31, 2020)**

<u>Description of Indebtedness</u>	<u>Series</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Kansas Public Water Supply	2018	\$ 535,329	\$ 443,364

**Capital Lease Obligations  
(As of December 31, 2020)**

None are outstanding as of December 31, 2020.