CITY OF PHILLIPSBURG

Phillipsburg, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2025

MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas 67661

CITY OF PHILLIPSBURG

For the Year Ended December 31, 2025

Bret Miles, Mayor

City Council

Don Roberts	Lauren Weinert
Brian Shrader	Terry McConnell
Jeanette Harris	Mike James

City Offices

Tim Driggs	City Administrator
Brandi Spray	City Clerk
Abigail Wahl	City Treasurer

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

For the Year Ended December 31, 2025

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CITY OF PHILLIPSBURG
Phillipsburg, Kansas

For the Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Phillipsburg, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Phillipsburg, Kansas, a Municipal Financial Reporting Entity, as of and for the year ended December 31, 2025 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Phillipsburg, Kansas as of December 31, 2025, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Phillipsburg, as of December 31, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinion

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

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Phillipsburg's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Phillipsburg's, Kansas ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Respectfully submitted,
Mapes & Miller LLP
Certified Public Accountants

September 28, 2026
Phillipsburg, Kansas

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2025

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	$ 410,473	$ -	$ 1,576,485	$ 1,447,878	$ 539,080	$ 22,049	$ 561,129
Special Purpose Funds							
Equipment Reserve Fund	763,145	-	64,191	230,274	597,062	213,324	810,386
Library Fund	1,261	-	87,747	81,478	7,530	-	7,530
Employee Benefit Fund	250,001	-	274,008	224,744	299,265	2,647	301,912
Special Parks & Recreation Fund	48,491	-	10,128	-	58,619	-	58,619
Law Enforcement Fund	15,195	-	400,000	392,784	22,411	-	22,411
Fire Department Fund	90,801	-	156,444	102,459	144,786	5,610	150,396
Special Highway Fund	138,319	-	347,928	325,842	160,405	164	160,569
Fire Equipment Capital Outlay Fund	365,537	-	36,126	-	401,663	-	401,663
Industrial Development Fund	130,964	-	17,951	-	148,915	-	148,915
Capital Improvements Fund	606,387	-	298,772	729,633	175,526	676,350	851,876
Partially Self-Funded Health Insurance Fund	17,860	-	54	-	17,914	-	17,914
Risk Management Reserve Fund	20,000	-	-	-	20,000	-	20,000
ARPA Grant Fund	-	-	77	77	-	-	-
Fight Addiction Fund	14,872	-	4,359	-	19,231	-	19,231
Bond & Interest Fund							
Bond & Interest Fund	20,529	-	80,090	85,605	15,014	-	15,014
Capital Projects Fund							
KDOT Airport Project Fund	(217,845)	-	237,297	19,452	-	24,726	24,726
Airport Grant Fund	(268,871)	-	142,191	89,882	(216,562) *	113,586	(102,976)
KDOT Street Project Fund	-	-	-	194,412	(194,412) *	157,765	(36,647)
Business Funds							
Water & Sewer Utility Fund	1,772,216	-	2,278,027	2,548,129	1,502,114	518,205	2,020,319
Solid Waste Fund	306,302	-	456,224	443,608	318,918	7,135	326,053
Aquatic Center Fund	448,082	-	638,124	643,524	442,682	230	442,912

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

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2025

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Trust Fund							
Endowment Fund	$ 20,908	$ -	$ 672	$ -	$ 21,580	$ -	$ 21,580
Related Municipal Entity							
Public Building Commission							
Aquatic Center Bond & Interest Fund	105,516	-	230,496	222,700	113,312	-	113,312
Aquatic Center Capital Projects Fund	138,555	-	-	-	138,555	-	138,555
Total Reporting Entity (Excluding Agency Funds)	$ 5,198,698	$ -	$ 7,337,391	$ 7,782,481	$ 4,753,609	$ 1,741,791	$ 6,495,400

Composition of Cash	
Cash on Hand	$ 450
Checking Accounts	37,318
NOW Account	741,554
Money Market Account	2,659,816
Certificates of Deposit	2,840,548
Related Municipal Entity	251,867
Total Cash	6,531,553
Agency Funds Per Schedule 3	(36,153)
Total Reporting Entity (Excluding Agency Funds)	$ 6,495,400

* See Note 3, Cash Basis Exceptions

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, 2025

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, 2025.

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.

If the City is holding a revenue neutral rate hearing, the public hearing shall be no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The City held a revenue neutral rate hearing for this year.

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, 2025.

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, the related municipal entity, and the following:

Special Purpose Funds:
- Equipment Reserve Fund
- Capital Improvements Fund
- Partially Self-Funded Health Insurance Fund
- Risk Management Reserve Fund
- ARPA Grant Fund
- Fight Addiction 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 City's Law Enforcement Fund had a negative cash balance in April 2025.

B. Depository Coverage Violation – K.S.A. 9-1402 requires deposits at statutorily authorized financial institutions be 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 May 1, 2025. Additional securities were obtained subsequent to the violation.

C. Budget Violation – K.S.A. 79-2935 requires expenditures be controlled so that no indebtedness is created in excess of the budget limits. The expenditures in the Water and Sewer Fund exceeded the budget for the year ended December 31, 2025.

D. Quarterly Publication – K.S.A. 12-1608 requires the City treasurer to publish quarterly financial statements by fund, within 30 days after quarter ends. The first quarter 2025 treasurer's report was not published within 30 days of the quarter's ending.

E. Outstanding Checks – K.S.A. 10-816 requires checks outstanding for two years or more to be cancelled and restored to the fund originally charged. The City had several outstanding checks that were greater than two years old in the Petty Cash bank account.

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

3. CASH BASIS EXCEPTIONS

A. The City received grants from the Kansas Department of Transportation (KDOT). The grant agreements require 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 at December 31, 2025. K.S.A. 12-1664 provides an exception for a cash basis law violation for the intergovernmental grant funds to expend monies for grant purposes with the expectation of monies to be reimbursed to the City under conditions of the grant award. The City had $800,000 available as of December 31, 2025 from KDOT for the street project.

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, 2025. K.S.A. 12-1664 provides an exception for a cash basis law violation for the intergovernmental grant funds to expend monies for grant purposes with the expectation of monies to be reimbursed to the City under conditions of the grant award. As of December 31, 2025, the City still had $1,206,680 available of grant funds.

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, 2025.

At December 31, 2025, the City's and Public Building Commission's carrying amount of deposits was $6,531,103 and the bank balance was $6,545,632. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance $520,763 was covered by federal depository insurance, and $6,024,869 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	$ 400,000
General Operating Fund	Fire Department Fund	Home Rule Ord. 1405	50,000
General Operating Fund	Special Highway Fund	K.S.A. 12-1,119	240,000
Water & Sewer Utility Fund	Bond & Interest Fund	K.S.A. 12-825d	40,000
Solid Waste Fund	Equipment Reserve Fund	K.S.A. 12-825d	64,191

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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.gov 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 9.71% for the fiscal year ended December 31, 2025. Contributions to the pension plan from the City were $122,552 for the year ended December 31, 2025.

Net Pension Liability

At December 31, 2025, the City's proportionate share of the collective net pension liability reported by KPERS was $907,443. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. 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.gov 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, 2025.

(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 for hourly employees and 200% of accrued vacation days for salaried employees 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, 2025, the City owed $79,087 of accumulated vacation leave to employees.

Sick leave

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

8. RISK MANAGEMENT

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

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

During the year ended December 31, 2025, 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. RELATED PARTIES

In 2025, the City paid $81,896 to Hays Fire & Rescue for a new fire truck. A member of the City Council is an employee at Hays Fire & Rescue. As of December 31, 2025, the City did not owe the company for any other invoices.

10. OPERATING LEASE

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

Future minimum rental commitments are as follows:

Year	Amount
2026	223,700
2027	219,600
2028	220,500
2029	221,300
2030	102,000
Total Future Minimum Lease Payments	$ 987,100

11. CAPITAL PROJECTS

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

	Project Authorization	Expenditures to Date
FAA Master Plan	$ 298,746	$ 295,246
FAA Airport Project-Fuel Farm Relocation	$ 1,149,169	$ 99,868
KDOT Street Project-CCLIP	$ 800,000	$ 194,412

12. SUBSEQUENT EVENTS

Management has evaluated events and transactions for potential recognition or disclosure through September 28, 2026, which is the date the financial statement was available for issue and does not believe any events through the date of this report have occurred, which effect the financial statement as presented.

13. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2025, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 1/1/2025	Additions	Reductions/ Payments	Ending Balance 12/31/2025	Interest/ Service Fees Paid
KDHE Loans									
Kansas Public Water Supply-Quanz	2.54%	12/20/2018	$ 583,038	2/1/2042	$ 397,795	$ -	$ 397,795	$ -	$ 13,951
Kansas Public Water Supply-AMR	1.65%	1/6/2020	$ 535,329	8/1/2030	326,090	-	52,140	273,950	5,167
Total KDHE Loans					723,885	-	449,935	273,950	19,118
Public Building Commission									
Series 2020 Revenue Bonds	2.00%	8/5/2020	$ 1,875,000	10/1/2030	1,135,000	-	200,000	935,000	22,700
Total Contractual Indebtedness					$ 1,858,885	$ -	$ 649,935	$ 1,208,950	$ 41,818

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

	KDHE Loans		Revenue Bond (Public Building Commission)		Total	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 53,004	$ 4,302	$ 205,000	$ 18,700	$ 258,004	$ 23,002
2027	53,882	3,424	205,000	14,600	258,882	18,024
2028	54,775	2,532	210,000	10,500	264,775	13,032
2029	55,683	9,667	215,000	6,300	270,683	15,967
2030	56,605	701	100,000	2,000	156,605	2,701
	$ 273,950	$ 20,627	$ 935,000	$ 52,100	$ 1,208,950	$ 72,727

CITY OF PHILLIPSBURG, KANSAS

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2025

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

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	$ 2,111,700	$ -	$ 2,111,700	$ 1,447,878	$ (663,822)
Special Purpose Funds					
Library Fund	88,650	-	88,650	81,478	(7,172)
Employee Benefit Fund	406,000	-	406,000	224,744	(181,256)
Special Parks & Recreation Fund	43,284	-	43,284	-	(43,284)
Law Enforcement Fund	404,000	-	404,000	392,784	(11,216)
Fire Department Fund	167,530	-	167,530	102,459	(65,071)
Special Highway Fund	335,480	-	335,480	325,842	(9,638)
Fire Equipment Capital Outlay Fund	404,930	-	404,930	-	(404,930)
Industrial Development Fund	79,525	-	79,525	-	(79,525)
Bond & Interest Fund					
Bond & Interest Fund	97,172	-	97,172	85,605	(11,567)
Business Funds					
Water & Sewer Utility Fund	2,505,985	-	2,505,985	2,548,129	42,144
Solid Waste Fund	657,407	-	657,407	443,608	(213,799)
Aquatic Center Fund	718,460	-	718,460	643,524	(74,936)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	$ 656,430	$ 672,162	$ (15,732)
Delinquent Tax	16,559	15,000	1,559
Motor Vehicle Tax	104,422	53,555	50,867
Recreational Vehicle Tax	2,181	1,314	867
Excise Tax	15	20	(5)
16/20M Vehicle Tax	2,472	2,107	365
Commercial Vehicle Tax	2,958	1,840	1,118
Watercraft Tax	781	844	(63)
Neighborhood Revitalization Rebate	(6,037)	(5,712)	(325)
Intangibles Tax	38,144	33,575	4,569
Special Assessment	714	1,300	(586)
Local Alcoholic Liquor Tax	10,128	11,111	(983)
Interest on Idle Funds	134,187	50,000	84,187
Franchise Tax	151,947	180,000	(28,053)
Animal Tags	2,432	2,500	(68)
Fines	12,413	23,000	(10,587)
Reimbursements	11,620	25,000	(13,380)
Campground Fees	7,776	15,000	(7,224)
Local Retailers' Sales Tax	298,772	320,000	(21,228)
Licenses & Permits	4,470	7,000	(2,530)
Other Cash Receipts	66	-	66
Miscellaneous	19,840	2,000	17,840
Building Rents	12,447	16,500	(4,053)
Cemetery Lots & Care	10,660	10,000	660
Airport Rents & Grains	6,950	9,000	(2,050)
Airport Aviation Gas & Oil	5,180	25,000	(19,820)
Airport Jet Fuel	6,420	22,000	(15,580)
Airport Courtesy Car	-	100	(100)
Airport Sales Tax Collected	1,044	4,000	(2,956)
Airport Miscellaneous	-	5,000	(5,000)
Zoning Applications	-	500	(500)
Transportation Passes	4,713	16,500	(11,787)
Northwest Kansas Transit	55,993	45,000	10,993
Bad Checks/Debt Collected	788	1,500	(712)
Total Receipts	1,576,485	$ 1,566,716	$ 9,769
EXPENDITURES			
General Government			
Personal Services	173,583	$ 200,000	$ (26,417)
Contractual Services	61,821	75,000	(13,179)
Commodities	45,204	35,000	10,204
Capital Outlay	-	35,000	(35,000)
Total General Government	280,608	345,000	(64,392)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Community Building			
Personal Services	$ 8,289	$ 20,000	$ (11,711)
Contractual Services	16,081	24,000	(7,919)
Commodities	18,375	8,000	10,375
Capital Outlay	-	10,000	(10,000)
Total Community Building	42,745	62,000	(19,255)
Municipal Court			
Personal Services	27,147	35,000	(7,853)
Contractual Services	11,537	18,000	(6,463)
Commodities	100	1,000	(900)
Total Municipal Court	38,784	54,000	(15,216)
Park Department			
Personal Services	28,497	45,000	(16,503)
Contractual Services	16,444	18,000	(1,556)
Commodities	16,657	15,000	1,657
Capital Outlay	-	40,000	(40,000)
Total Park Department	61,598	118,000	(56,402)
Cemetery			
Personal Services	22,053	30,000	(7,947)
Contractual Services	9,350	20,000	(10,650)
Commodities	2,863	10,000	(7,137)
Capital Outlay	-	5,000	(5,000)
Total Cemetery	34,266	65,000	(30,734)
Street Lighting			
Contractual Services	47,183	58,000	(10,817)
Airport			
Personal Services	28,945	45,000	(16,055)
Contractual Services	26,850	49,200	(22,350)
Commodities	17,981	52,000	(34,019)
Capital Outlay	384	51,000	(50,616)
Total Airport	74,160	197,200	(123,040)
Planning Department			
Contractual Services	-	10,000	(10,000)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Transportation Department			
Personal Services	$ 58,079	$ 60,000	$ (1,921)
Contractual Services	6,982	9,000	(2,018)
Commodities	3,533	6,000	(2,467)
Capital Outlay	-	5,000	(5,000)
Total Transportation Department	68,594	80,000	(11,406)
Library Support			
Personal Services	10,146	10,000	146
Contractual Services	39,508	49,000	(9,492)
Commodities	780	2,000	(1,220)
Total Library Support	50,434	61,000	(10,566)
Beautification			
Personal Services	6,144	9,000	(2,856)
Contractual Services	-	1,000	(1,000)
Commodities	2,458	3,000	(542)
Capital Outlay	-	5,000	(5,000)
Total Beautification	8,602	18,000	(9,398)
Shade Tree			
Contractual Services	1,300	5,000	(3,700)
Commodities	-	5,000	(5,000)
Capital Outlay	-	2,000	(2,000)
Total Shade Tree	1,300	12,000	(10,700)
Armory			
Personal Services	6,932	11,500	(4,568)
Contractual Services	10,250	16,000	(5,750)
Commodities	1,045	2,500	(1,455)
Capital Outlay	-	1,000	(1,000)
Total Armory	18,227	31,000	(12,773)
Concrete Improvements			
Personal Services	-	20,000	(20,000)
Contractual Services	-	45,000	(45,000)
Commodities	8,244	40,000	(31,756)
Total Concrete Improvements	8,244	105,000	(96,756)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

GENERAL OPERATING FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Code Enforcement			
Personal Services	$ 1,786	$ 8,000	$ (6,214)
Contractual Services	19,113	50,000	(30,887)
Commodities	-	500	(500)
Total Code Enforcement	20,899	58,500	(37,601)
Animal Control			
Personal Services	1,077	6,000	(4,923)
Contractual Services	861	1,000	(139)
Commodities	296	2,000	(1,704)
Total Animal Control	2,234	9,000	(6,766)
Outgoing Transfers			
Equipment Reserve Fund	-	50,000	(50,000)
Law Enforcement Fund	400,000	408,000	(8,000)
Fire Department Fund	50,000	50,000	-
Special Highway Fund	240,000	320,000	(80,000)
Total Outgoing Transfers	690,000	828,000	(138,000)
Total Expenditures	1,447,878	$ 2,111,700	$ (663,822)
Receipts Over (Under) Expenditures	128,607		
UNENCUMBERED CASH, January 1, 2025	410,473		
UNENCUMBERED CASH, December 31, 2025	$ 539,080		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2025

EQUIPMENT RESERVE FUND

	Actual
RECEIPTS	
Incoming Transfer	
Solid Waste Fund	$ 64,191
EXPENDITURES	
Capital Outlay	230,274
Receipts Over (Under) Expenditures	(166,083)
UNENCUMBERED CASH, January 1, 2025	763,145
UNENCUMBERED CASH, December 31, 2025	$ 597,062

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

LIBRARY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	$ 73,154	$ 74,896	$ (1,742)
Delinquent Tax	1,952	2,500	(548)
Motor Vehicle Tax	12,314	6,262	6,052
Recreational Vehicle Tax	258	154	104
Excise Tax	2	1	1
16/20M Vehicle Tax	299	246	53
Commercial Vehicle Tax	91	215	(124)
Watercraft Tax	350	99	251
Neighborhood Revitalization Rebate	(673)	(652)	(21)
Total Receipts	87,747	$ 83,721	$ 4,026
EXPENDITURES			
Appropriation to Library Board	81,478	$ 85,500	$ (4,022)
Miscellaneous	-	3,150	(3,150)
Total Expenditures	81,478	$ 88,650	$ (7,172)
Receipts Over (Under) Expenditures	6,269		
UNENCUMBERED CASH, January 1, 2025	1,261		
UNENCUMBERED CASH, December 31, 2025	$ 7,530		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

EMPLOYEE BENEFIT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	$ 224,858	$ 230,220	$ (5,362)
Delinquent Tax	6,420	8,400	(1,980)
Motor Vehicle Tax	40,634	20,246	20,388
Recreational Vehicle Tax	852	497	355
Excise Tax	6	4	2
16/20M Vehicle Tax	1,044	796	248
Commercial Vehicle Tax	295	696	(401)
Watercraft Tax	1,167	320	847
Neighborhood Revitalization Rebate	(2,068)	(2,103)	35
Miscellaneous	-	1,050	(1,050)
Business Contributions	-	12,000	(12,000)
Reimbursements	800	1,500	(700)
Total Receipts	274,008	$ 273,626	$ 382
EXPENDITURES			
Social Security & Medicare	39,614	$ 54,000	$ (14,386)
Retirement	52,145	65,000	(12,855)
Workman's Compensation	7,494	31,500	(24,006)
Unemployment Insurance	529	5,500	(4,971)
Life & Disability Insurance	967	5,000	(4,033)
Account Administration	315	7,000	(6,685)
Health Savings Account Contribution	-	4,000	(4,000)
Health Insurance	118,240	199,000	(80,760)
Other Insurance Premium	5,440	10,000	(4,560)
Miscellaneous	-	25,000	(25,000)
Total Expenditures	224,744	$ 406,000	$ (181,256)
Receipts Over (Under) Expenditures	49,264		
UNENCUMBERED CASH, January 1, 2025	250,001		
UNENCUMBERED CASH, December 31, 2025	$ 299,265		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

SPECIAL PARKS & RECREATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Alcoholic Liquor Tax	$ 10,128	$ 11,111	$ (983)
EXPENDITURES			
Contractual Services	-	$ 8,284	$ (8,284)
Commodities	-	10,000	(10,000)
Capital Outlay	-	25,000	(25,000)
Total Expenditures	-	$ 43,284	$ (43,284)
Receipts Over (Under) Expenditures	10,128		
UNENCUMBERED CASH, January 1, 2025	48,491		
UNENCUMBERED CASH, December 31, 2025	$ 58,619		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

LAW ENFORCEMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfer			
General Operating Fund	$ 400,000	$ 408,000	$ (8,000)
EXPENDITURES			
Contractual Services	392,784	$ 404,000	$ (11,216)
Receipts Over (Under) Expenditures	7,216		
UNENCUMBERED CASH, January 1, 2025	15,195		
UNENCUMBERED CASH, December 31, 2025	$ 22,411		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

FIRE DEPARTMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
City Fire Sale of Equipment	$ 17,250	$ -	$ 17,250
City Fire Local Grants	17,500	-	17,500
City Fire Miscellaneous	486	-	486
Rural Fire Contracts	53,958	50,000	3,958
Rural Fire Sale of Equipment	17,250	-	17,250
Incoming Transfer			
General Operating Fund	50,000	50,000	-
Total Receipts	156,444	$ 100,000	$ 56,444
EXPENDITURES			
City Fire Department			
Personal Services	10,590	$ 27,000	$ (16,410)
Contractual Services	14,354	20,000	(5,646)
Commodities	20,631	50,530	(29,899)
Capital Outlay	-	25,000	(25,000)
Rural Fire Department			
Contractual Services	36,282	10,000	26,282
Commodities	20,602	10,000	10,602
Capital Outlay	-	25,000	(25,000)
Total Expenditures	102,459	$ 167,530	$ (65,071)
Receipts Over (Under) Expenditures	53,985		
UNENCUMBERED CASH, January 1, 2025	90,801		
UNENCUMBERED CASH, December 31, 2025	$ 144,786		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

SPECIAL HIGHWAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Highway Connecting Links	$ 24,773	$ 30,000	$ (5,227)
Special Highway Tax	60,559	66,160	(5,601)
Sale of Equipment	8,125	5,000	3,125
Sales Tax Collected	-	500	(500)
Miscellaneous	14,471	5,000	9,471
Incoming Transfer			
General Operating Fund	240,000	320,000	(80,000)
Total Receipts	347,928	$ 426,660	$ (78,732)
EXPENDITURES			
Operating			
Personal Services	150,659	$ 117,980	$ 32,679
Contractual Services	13,757	60,000	(46,243)
Commodities	33,003	50,000	(16,997)
Capital Outlay	124,075	100,000	24,075
Administration			
Personal Services	4,148	7,000	(2,852)
Commodities	200	500	(300)
Total Expenditures	325,842	$ 335,480	$ (9,638)
Receipts Over (Under) Expenditures	22,086		
UNENCUMBERED CASH, January 1, 2025	138,319		
UNENCUMBERED CASH, December 31, 2025	$ 160,405		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

FIRE EQUIPMENT CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	$ 30,042	$ 30,767	$ (725)
Delinquent Tax	783	-	783
Motor Vehicle Tax	4,927	2,505	2,422
Recreational Vehicle Tax	103	61	42
Excise Tax	1	-	1
16/20M Vehicle Tax	120	99	21
Commercial Vehicle Tax	36	86	(50)
Watercraft Tax	140	40	100
Neighborhood Revitalization Rebate	(276)	(277)	1
Grants & Gifts	250	-	250
Total Receipts	36,126	$ 33,281	$ 2,845
EXPENDITURES			
Capital Outlay	-	$ 404,930	$ (404,930)
Receipts Over (Under) Expenditures	36,126		
UNENCUMBERED CASH, January 1, 2025	365,537		
UNENCUMBERED CASH, December 31, 2025	$ 401,663		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

INDUSTRIAL DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	$ 15,036	$ 15,390	$ (354)
Delinquent Tax	391	700	(309)
Motor Vehicle Tax	2,462	1,252	1,210
Recreational Vehicle Tax	52	31	21
Excise Tax	-	2	(2)
16/20M Vehicle Tax	60	49	11
Commercial Vehicle Tax	18	43	(25)
Watercraft Tax	70	20	50
Neighborhood Revitalization Rebate	(138)	(138)	-
Other	-	5,200	(5,200)
Total Receipts	17,951	$ 22,549	$ (4,598)
EXPENDITURES			
Contractual Services	-	$ 79,525	$ (79,525)
Receipts Over (Under) Expenditures	17,951		
UNENCUMBERED CASH, January 1, 2025	130,964		
UNENCUMBERED CASH, December 31, 2025	$ 148,915		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-11

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

CAPITAL IMPROVEMENT FUND

	Actual
RECEIPTS	
Local Retailers' Sales Tax	$ 298,772
EXPENDITURES	
Street	
Commodities	15,283
Capital Outlay	414,550
Water Distribution	
Capital Outlay	299,800
Total Expenditures	729,633
Receipts Over (Under) Expenditures	(430,861)
UNENCUMBERED CASH, January 1, 2025	606,387
UNENCUMBERED CASH, December 31, 2025	$ 175,526

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-12

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

PARTIALLY SELF-FUNDED HEALTH INSURANCE FUND

	Actual
RECEIPTS	
Interest on Idle Funds	$ 54
EXPENDITURES	-
Receipts Over (Under) Expenditures	54
UNENCUMBERED CASH, January 1, 2025	17,860
UNENCUMBERED CASH, December 31, 2025	$ 17,914

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-13

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

RISK MANAGEMENT RESERVE FUND

	Actual
RECEIPTS	$ -
EXPENDITURES	-
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, January 1, 2025	20,000
UNENCUMBERED CASH, December 31, 2025	$ 20,000

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-14

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

ARPA GRANT FUND

	Actual
RECEIPTS	
Interest on Idle Funds	$ 77
EXPENDITURES	
Capital Outlay	77
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, January 1, 2025	-
UNENCUMBERED CASH, December 31, 2025	$ -

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-15

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

FIGHT ADDICTION FUND

	Actual
RECEIPTS	
Opioid Settlement	$ 4,359
EXPENDITURES	-
Receipts Over (Under) Expenditures	4,359
UNENCUMBERED CASH, January 1, 2025	14,872
UNENCUMBERED CASH, December 31, 2025	$ 19,231

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-16

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

BOND & INTEREST FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad Valorem Tax	$ 30,077	$ 30,760	$ (683)
Delinquent Tax	1,192	2,000	(808)
Motor Vehicle Tax	8,507	4,981	3,526
Recreational Vehicle Tax	175	122	53
Excise Tax	1	1	-
16/20M Vehicle Tax	116	196	(80)
Commercial Vehicle Tax	73	171	(98)
Watercraft Tax	225	79	146
Neighborhood Revitalization Rebate	(276)	(274)	(2)
Incoming Transfer			
Water & Sewer Utility Fund	40,000	30,000	10,000
Total Receipts	80,090	$ 68,036	$ 12,054
EXPENDITURES			
Commission & Postage	-	$ 6	$ (6)
Reserve for Cash	-	11,565	(11,565)
Quanz Loan Principal	18,310	18,309	1
Quanz Loan Interest	1,376	1,376	-
Quanz Loan Service Fee	8,612	8,612	-
Water Meters Loan Principal	52,140	52,140	-
Water Meters Loan Interest	4,071	4,070	1
Water Meters Loan Service Fee	1,096	1,094	2
Total Expenditures	85,605	$ 97,172	$ (11,567)
Receipts Over (Under) Expenditures	(5,515)		
UNENCUMBERED CASH, January 1, 2025	20,529		
UNENCUMBERED CASH, December 31, 2025	$ 15,014		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-17

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

KDOT AIRPORT PROJECT FUND

	Actual
RECEIPTS	
State Grant	$ 237,297
EXPENDITURES	
Contractual Services	19,452
Receipts Over (Under) Expenditures	217,845
UNENCUMBERED CASH, January 1, 2025	(217,845)
UNENCUMBERED CASH, December 31, 2025	$ -

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-18

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

AIRPORT GRANT FUND

	Actual	
RECEIPTS		
Federal Grant	$ 142,191	
EXPENDITURES		
Contractual	89,882	
Receipts Over (Under) Expenditures	52,309	
UNENCUMBERED CASH, January 1, 2025	(268,871)	
UNENCUMBERED CASH, December 31, 2025	$ (216,562)	*

* 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, 2025

KDOT STREET PROJECT FUND

	Actual	
RECEIPTS	$ -	
EXPENDITURES		
Contractual Services	194,412	
Receipts Over (Under) Expenditures	(194,412)	
UNENCUMBERED CASH, January 1, 2025	-	
UNENCUMBERED CASH, December 31, 2025	$ (194,412)	*

* See Note 3, Cash Basis Exceptions

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

WATER & SEWER UTILITY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Water Department			
Water Sales	$ 1,717,564	$ 1,095,000	$ 622,564
Penalties	7,666	11,550	(3,884)
Sales Tax Collected	69,267	29,250	40,017
Miscellaneous	3,910	2,100	1,810
Coin Machine Water Sales	2,145	1,575	570
Water Protection Fee	7,849	5,250	2,599
Sale of Equipment	2,225	2,000	225
Return Check Charge	141	525	(384)
Water New Service	-	3,500	(3,500)
Connects/Disconnects	6,985	11,550	(4,565)
Total Water Department	1,817,752	1,162,300	655,452
Sewer Department			
Sewer Charges	452,406	465,000	(12,594)
Penalties	4,217	-	4,217
Sewer Dump Station Fees	1,945	3,150	(1,205)
Other	1,707	-	1,707
Total Sewer Department	460,275	468,150	(7,875)
Total Receipts	2,278,027	$ 1,630,450	$ 647,577
EXPENDITURES			
Water Department			
Water Production			
Personal Services	28,746	$ 70,500	$ (41,754)
Contractual Services	101,447	102,525	(1,078)
Commodities	24,196	380,000	(355,804)
Capital Outlay	198	55,000	(54,802)
Total Water Production	154,587	608,025	(453,438)
Water Transmission & Distribution			
Personal Services	391,264	375,000	16,264
Contractual Services	115,930	190,000	(74,070)
Commodities	257,699	130,000	127,699
Capital Outlay	379,687	50,000	329,687
Quanz Loan Principal	379,485	-	379,485
Quanz Loan Interest	546	-	546
Quanz Loan Service Fee	3,417	-	3,417
Total Water Transmission & Distribution	1,528,028	745,000	783,028
Water Commercial & General			
Personal Services	57,692	67,500	(9,808)
Contractual Services	35,342	40,000	(4,658)
Commodities	1,096	8,000	(6,904)
Total Water Commercial & General	94,130	115,500	(21,370)

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

WATER & SEWER UTILITY FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Water Department (Cont.)			
Water Non-Operating			
Sales Tax	$ 67,307	$ 16,000	$ 51,307
Water Protection Fee	5,252	6,640	(1,388)
Clean Drinking Water Fee	4,924	6,320	(1,396)
Outgoing Transfers			
Equipment Reserve Fund	-	50,000	(50,000)
Bond & Interest Fund	40,000	30,000	10,000
Total Water Non-Operating	117,483	108,960	8,523
Total Water Department	1,894,228	1,577,485	316,743
Sewer Department			
Sewer Commercial & General			
Personal Services	110,160	108,500	1,660
Contractual Services	383,927	122,000	261,927
Commodities	91,014	205,000	(113,986)
Capital Outlay	17,233	5,000	12,233
Total Sewer Commercial & General	602,334	440,500	161,834
Sewer Administration			
Personal Services	35,037	40,000	(4,963)
Contractual Services	15,930	20,000	(4,070)
Commodities	600	1,000	(400)
Capital Outlay	-	427,000	(427,000)
Total Sewer Administration	51,567	488,000	(436,433)
Total Sewer Department	653,901	928,500	(274,599)
Total Expenditures	2,548,129	$ 2,505,985	$ 42,144
Receipts Over (Under) Expenditures	(270,102)		
UNENCUMBERED CASH, January 1, 2025	1,772,216		
UNENCUMBERED CASH, December 31, 2025	$ 1,502,114		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-21

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

SOLID WASTE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Fees Collected	$ 438,057	$ 425,000	$ 13,057
Penalties	5,600	-	5,600
Sales Tax Collected	92	1,000	(908)
Sale of Dumpsters	3,250	3,000	250
Equipment Rental	1,020	5,500	(4,480)
Other Cash Receipts	1,950	1,000	950
Yard Waste Receipts	6,255	9,000	(2,745)
Total Receipts	456,224	$ 444,500	$ 11,724
EXPENDITURES			
Operating			
Personal Services	159,653	$ 190,000	$ (30,347)
Contractual Services	141,509	220,000	(78,491)
Commodities	29,484	50,000	(20,516)
Capital Outlay	-	50,000	(50,000)
Administration			
Personal Services	34,058	67,407	(33,349)
Contractual Services	14,072	10,000	4,072
Commodities	641	20,000	(19,359)
Outgoing Transfer			
Equipment Reserve Fund	64,191	50,000	14,191
Total Expenditures	443,608	$ 657,407	$ (213,799)
Receipts Over (Under) Expenditures	12,616		
UNENCUMBERED CASH, January 1, 2025	306,302		
UNENCUMBERED CASH, December 31, 2025	$ 318,918		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-22

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2025

AQUATIC CENTER FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local Retailers' Sales Tax	$ 597,544	$ 593,000	$ 4,544
Swimming Pool Concessions	13,387	14,500	(1,113)
Swimming Lessons-Outdoor	5,077	6,000	(923)
Swimming Pool Tickets-Outdoor	18,881	22,000	(3,119)
Sales Tax Collected	540	1,500	(960)
Swimming Lessons-Indoor	-	300	(300)
Swimming Pool Tickets-Indoor	2,695	3,200	(505)
Total Receipts	638,124	$ 640,500	$ (2,376)
EXPENDITURES			
Administration			
Personal Services	12,788	$ 41,000	$ (28,212)
Contractual Services	146	6,000	(5,854)
Commodities	140	4,000	(3,860)
Lease Payment	223,033	222,700	333
Operating-Outdoor			
Personal Services	96,546	97,000	(454)
Contractual Services	24,098	30,000	(5,902)
Commodities	63,865	40,000	23,865
Capital Outlay	64,400	61,760	2,640
Operating-Indoor			
Personal Services	113,818	75,000	38,818
Contractual Services	33,813	71,000	(37,187)
Commodities	10,877	50,000	(39,123)
Capital Outlay	-	20,000	(20,000)
Total Expenditures	643,524	$ 718,460	$ (74,936)
Receipts Over (Under) Expenditures	(5,400)		
UNENCUMBERED CASH, January 1, 2025	448,082		
UNENCUMBERED CASH, December 31, 2025	$ 442,682		

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 2-23

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2025

ENDOWMENT FUND

	Actual
RECEIPTS	
Interest on Idle Funds	$ 672
EXPENDITURES	-
Receipts Over (Under) Expenditures	672
UNENCUMBERED CASH, January 1, 2025	20,908
UNENCUMBERED CASH, December 31, 2025	$ 21,580

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2025

AGENCY FUNDS

FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Municipal Court Bonds	$ 144	$ -	$ 144	$ -
Employee Flex Benefits	9,694	61,894	59,164	12,424
Meter Deposit	22,538	4,410	4,854	22,094
Fire Insurance Proceeds	1,635	-	-	1,635
Total	$ 34,011	$ 66,304	$ 64,162	$ 36,153

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, 2025

PUBLIC BUILDING COMMISSION
AQUATIC CENTER BOND & INTEREST FUND

	Actual
RECEIPTS	
Lease Income	$ 223,033
Interest on Idle Funds	7,463
Total Receipts	230,496
EXPENDITURES	
Principal	200,000
Interest	22,700
Total Expenditures	222,700
Receipts Over (Under) Expenditures	7,796
UNENCUMBERED CASH, January 1, 2025	105,516
UNENCUMBERED CASH, December 31, 2025	$ 113,312

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, 2025

PUBLIC BUILDING COMMISSION
AQUATIC CENTER CAPITAL PROJECTS FUND

	Actual
RECEIPTS	$ -
EXPENDITURES	-
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, January 1, 2025	138,555
UNENCUMBERED CASH, December 31, 2025	$ 138,555

CITY OF PHILLIPSBURG, KANSAS

ADDITIONAL SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2025

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 5

WATER AND SEWER UTILITY ALLOCATION
For the Year Ended December 31, 2025

SUMMARY FROM
WATER & SEWER UTILITY FUND

	Water	Sewer	Total
RECEIPTS	$ 1,817,752	$ 460,275	$ 2,278,027
EXPENDITURES	1,894,228	653,901	2,548,129
Receipts Over (Under) Expenditures	(76,476)	(193,626)	(270,102)
UNENCUMBERED CASH, January 1, 2025	885,338	886,878	1,772,216
UNENCUMBERED CASH, December 31, 2025	$ 808,862	$ 693,252	$ 1,502,114

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Schedule 6

EQUIPMENT RESERVE ALLOCATION

For the Year Ended December 31, 2025

	Office	Solid Waste	Water	Sewer	Aquatic Center	Undesignated	Total
Receipts	$ -	$ 64,191	$ -	$ -	$ -	$ -	$ 64,191
Expenditures	-	200,703	6,950	-	-	22,621	230,274
Receipts Over (Under) Expenditures	-	(136,512)	(6,950)	-	-	(22,621)	(166,083)
UNENCUMBERED CASH, January 1, 2025	67,426	154,136	127,814	99,912	50,000	263,857	763,145
UNENCUMBERED CASH, December 31, 2025	$ 67,426	$ 17,624	$ 120,864	$ 99,912	$ 50,000	$ 241,236	$ 597,062

CITY OF PHILLIPSBURG, KANSAS

UNAUDITED ADDITIONAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2025

CITY OF PHILLIPSBURG
Phillipsburg, Kansas

Exhibit 1

UNAUDITED ADDITIONAL INFORMATION
December 31, 2025

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 Fort Hays Tech North Central 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	2020	2010	2000	1990	1980
City of Phillipsburg:	2,200	2,337	2,581	2,668	2,828	3,229
Phillips County:	4,728	4,981	5,642	6,001	6,590	7,406

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 wastewater utilities. The City also owns and operates the refuse collection service.

EMPLOYMENT HISTORY - Phillips County

Year	Average Unemployment Rate
2025	3.10%
2024	2.20%
2023	1.50%
2022	2.00%
2021	2.10%
2020	3.20%
2019	2.30%
2018	2.50%
2017	2.70%
2016	2.80%

	Civilian Work force	Total Employed	Unemployed
2025	2,450	2,340	79
2024	2,430	2,353	77
2023	2,307	2,238	69
2022	2,704	2,649	55
2021	2,637	2,581	56
2020	2,743	2,655	88
2019	2,662	2,601	61
2018	2,862	2,790	72
2017	2,811	2,728	83
2016	2,870	2,790	80

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

MAJOR EMPLOYERS - Phillipsburg Area

Some of the larger employers in the area include:

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

UNAUDITED

CLIMATE

Average daily temperature:

January:	29 degrees
April:	54 degrees
July:	79 degrees
October:	68 degrees

Average annual precipitation:	20 inches
Average annual snowfall:	17 inches

BANK DEPOSITS - Phillipsburg - December 31

Year	Amount	Year	Amount
2016	301,091,132	2021	403,000,076
2017	330,979,720	2022	405,797,069
2018	313,959,643	2023	396,875,877
2019	355,145,072	2024	398,443,591
2020	369,420,262	2025	363,535,611

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

GROSS RETAIL SALES - Phillips County

Year	Amount	Year	Amount
2016	136,503,301	2021	169,515,549
2017	132,002,610	2022	173,001,356
2018	146,155,180	2023	217,712,679
2019	131,619,545	2024	223,538,862
2020	126,482,218	2025	198,539,930

PHILLIPSBURG CITY SALES TAX COLLECTED BY STATE OF KANSAS

Year	Amount	Year	Amount
2016	762,991	2021	838,673
2017	789,280	2022	941,618
2018	808,424	2023	988,386
2019	819,954	2024	921,000
2020	804,957	2025	906,461

TAXABLE RETAIL SALES - Phillipsburg City

Year	Amount	Year	Amount
2016	38,149,566	2021	41,933,611
2017	39,464,021	2022	47,080,907
2018	40,421,212	2023	49,419,302
2019	40,947,676	2024	46,049,978
2020	40,247,874	2025	45,323,048

TAXABLE RETAIL SALES - Phillips County

Year	Amount	Year	Amount
2016	58,172,854	2021	82,338,248
2017	59,506,534	2022	71,975,928
2018	61,495,202	2023	76,381,572
2019	60,371,342	2024	73,526,768
2020	60,199,314	2025	71,522,050

Source: Kansas Department of Revenue, Amy Kramer (785-291-3580 or 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 5,100 foot concrete 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 and the Phillips County Health Department. There are three medical doctors, three certified physician assistants, five nurse practitioners, one behavioral health specialist, two dentists and one optometrist providing medical services to the City as well as visiting specialists.

There are fourteen religious institutions located in Phillipsburg.

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

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

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

UNAUDITED

TAX STRUCTURE

The total sales tax rate (city, county, state) effective July 1, 2015, was 9.00%.

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

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

Levy Year	Budget Year	City of Phillipsburg	Phillips County	USD #325	Other	State	Total
2025	2026	63.635	117.184	45.369	2.496	1.500	230.184
2024	2025	68.472	115.003	44.355	2.266	1.500	231.596
2023	2024	70.9	107.313	42.78	2.424	1.500	224.917
2022	2023	68.717	104.232	42.38	2.497	1.500	219.326
2021	2022	68.569	100.576	42.754	1.939	1.500	215.338
2020	2021	65.101	91.610	42.066	2.014	1.500	202.291
2019	2020	61.024	90.180	42.392	2.016	1.500	197.112
2018	2019	61.01	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

ASSESSED VALUATION HISTORY

Year	Assessed Valuation of Taxable Tangible Property	Tangible Valuation of Motor Vehicles	Equalized Assessed Valuation of Taxable Tangible Property
2025	$ 16,566,526	$ 2,369,768	$ 18,936,294
2024	$ 15,396,118	$ 2,796,078	$ 18,192,196
2023	$ 14,173,602	$ 2,706,780	$ 16,880,382
2022	$ 12,945,688	$ 2,590,093	$ 15,535,781
2021	$ 12,203,595	$ 2,697,516	$ 14,901,111
2020	$ 12,047,745	$ 2,632,869	$ 14,680,614
2019	$ 11,574,213	$ 2,124,460	$ 13,698,673
2018	$ 11,161,384	$ 2,632,724	$ 13,794,108
2017	$ 10,510,208	$ 2,719,899	$ 13,230,107
2016	$ 10,409,798	$ 2,649,873	$ 13,059,671

UNAUDITED

Exhibit 6

CITY'S AUTHORITY TO INCUR DEBT

Equalized Assessed Valuation of Tangible Valuation For Computation of Bonded Debt Limitations	$	18,936,294
Legal limitation of Bonded Debt	$	5,680,888
Outstanding general obligation debt as of December 31, 2025	$	-
Exempt Debt	$	-
Net Debt against Statutory Debt limit capacity	$	-
Additional debt capacity	$	5,680,888
Direct debt per capita	$	-
Overlapping Indebtedness	$	770,387
Direct and overlapping debt	$	770,387
Direct and overlapping debt per capita	$	350
Direct debt as a percentage of Equalized Assessed Valuation		0.00%
Direct and overlapping debt as a percentage of Equalized Assessed Valuation		4.07%
Statutory direct debt as a percentage of Equalized Assessed Valuation		0.00%

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OVERLAPPING INDEBTEDNESS

The following table sets forth overlapping indebtedness as of December 31, 2025, and the percent attributable (on the basis of assessed valuation) to the City.

Taxing Jurisdiction	2025 Assessed Valuation	Outstanding General Obligation Indebtedness	Percent Applicable to the City	Amount Applicable to the City
Phillips County	$ 85,938,965	$ 4,300,191	17.92%	$ 770,387
U.S.D. #325	$ 53,941,111	$ -	26.28%	$ -

Outstanding General Obligation Debt
(As of December 31, 2025)

None are outstanding as of December 31, 2025.

Temporary Notes Outstanding
(As of December 31, 2025)

None are outstanding as of December 31, 2025.

Revenue Bonds Outstanding
(As of December 31, 2025)

None are outstanding as of December 31, 2025.

Outstanding Public Building Commission Revenue Bonds
(As of December 31, 2025)

Description of Indebtedness	Series	Original Amount	Amount Outstanding
PBC Revenue Bonds	2020	$ 1,875,000	$ 935,000

Loans Outstanding
(As of December 31, 2025)

Description of Indebtedness	Series	Original Amount	Amount Outstanding
Kansas Public Water Supply	2018	$ 583,038	$ -
Kansas Public Water Supply	2020	$ 535,329	$ 273,950

Capital Lease Obligations
(As of December 31, 2025)

None are outstanding as of December 31, 2025.

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