The City of Pittsburg, Kansas

Annual Comprehensive Financial Report

For The Year Ended December 31, 2025

City of
Pittsburg
Forward Together.

ANNUAL COMPREHENSIVE FINANCIAL REPORT
CITY OF PITTSBURG, KANSAS

For the Fiscal Year Ended
December 31, 2025

Prepared by

DEPARTMENT OF FINANCE

City of Pittsburg, Kansas

CITY OF PITTSBURG, KANSAS
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
Year Ended December 31, 2025

TABLE OF CONTENTS

CITY OF PITTSBURG, KANSAS
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
Year Ended December 31, 2025

TABLE OF CONTENTS
(Continued)

CITY OF PITTSBURG, KANSAS
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
Year Ended December 31, 2025

TABLE OF CONTENTS
(Continued)

City of Pittsburg Forward Together.

FINANCE AND ADMINISTRATION

201 West 4th Street · Pittsburg KS 66762

(620) 231-4100

www.pittks.org

June 29, 2026

To the Honorable Mayor, Members of the City Commission and the Citizens of Pittsburg:

This document is the Annual Comprehensive Financial Report (ACFR) of the City of Pittsburg (the City) for the fiscal year ended December 31, 2025. The report was prepared by the City's Department of Finance. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the management of the City. We believe the report, as presented, is accurate in all material respects. We also believe it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. Finally, we believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Management of the City is responsible for establishing and maintaining an internal control structure to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state awards, the City is also responsible for establishing and maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluations by management and the independent auditor.

Kansas Statute Annotated 75-1122 requires an annual audit of the books of account, financial records and transactions of all departments of the City by independent certified public accountants. The accounting firm Swindoll, Janzen, Hawk & Loyd, LLC was selected by the City Commission to audit the records of the City for the year ended December 31, 2025. The independent auditor's report is included in the financial section of this report. The independent auditor's reports that relate specifically to the single audit requirements are included in the single audit section.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the City of Pittsburg

The City of Pittsburg was incorporated in 1880 and is the largest city in southeast Kansas. The official population per the 2020 census is 20,646. The City is located approximately 5 miles west of the Missouri border and 40 miles north of the Oklahoma border. The City of Pittsburg is empowered to levy a property tax on both real and personal property located within its boundaries. The City's current incorporated area is 13.1 square miles.

The City of Pittsburg has operated under the commission-manager form of government since 1949. Policy-making and legislative authority are vested in a governing commission consisting of the mayor and 4 commission members, all elected at large and on a non-partisan basis. The commission appoints the government's manager, which in turn appoints the heads of the various departments. The mayor is selected each year by the commissioners themselves and serves a one-year term.

The City provides its citizens with a full range of services which include police and fire protection, construction and maintenance of its streets and highways, community development and planning, water, wastewater, stormwater, and solid waste utility services, municipal airport, Memorial Auditorium and parks and recreational activities.

The annual budget provides a foundation for the City's financial planning and control. Per Kansas statute the following year's adopted annual budget must be submitted to the State of Kansas by the end of August of the current year. The City Commission is also required by Kansas statute to hold a public hearing to discuss the budget prior to adoption. The budget is prepared by fund, function (e.g., public safety) and department (e.g., police). Budget to actual comparisons are provided in this report. Additional spending beyond the budget for each fund must be approved by the City Commission.

The activities of the Pittsburg Public Library are presented as a component unit of the City. The City Commission has appointive authority of the Library Board and its annual operating budget is also subject to the approval of the City Commission.

The City has utilized State programs to provide property tax abatements to encourage developments that have long-term economic benefits to the community. Industrial Revenue Bonds, Reinvestment Housing Incentive Districts, the Neighborhood Revitalization Program, and Tax-Increment Financing have been utilized to incentivize industrial and residential development that brings private financing, jobs and housing that would otherwise not occur to address traditional barriers to growth – jobs and housing. The City has also implemented a local City Housing Incentive Program (CHIP) to support local home builders construct workforce housing. These incentivized developments create durable commercial and residential assets that expand and diversify the City's economic foundation. They help stabilize City's finances by adding sales tax generating activity and broadening the tax base.

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when it is considered from the specific environment within which the City operates.

Local economy. The local economy is varied and diverse with the City's principal employers comprised of education, medical, manufacturing, logistics, and retail. The area is also served by several financial institutions and other professional services companies. Pittsburg State University (PSU) is the area's major economic presence with a current enrollment of approximately 5,700 students.

Long-term financial planning. The City utilizes a five-year financial forecast and plan. Five prior year actuals, the current year estimated and four future years are projected in the forecast. This allows for better budget planning and data-based decision making.

The City also uses a five-year Capital Improvements Program (CIP) to plan for future capital expenditures. The CIP outlines by fiscal year the details of the City's capital projects and equipment needs. It also specifies the projected funding sources for these future periods.

The City utilizes the following funding sources to meet the CIP needs: bond anticipation notes, general obligation bonds, capital leases, low interest loans provided by the Kansas Department of Health and Environment (KDHE), utility operating funds, one fourth of the City's one half percent general sales tax revenue, the special street improvement sales tax, the City's public safety sales tax and federal and state grant awards.

Major initiatives for the year. The City will continue the construction of a new wastewater treatment plant, a two-year project on schedule to be completed in 2027. The City partnership with PSU to construct a new building for the Kelce School of Business in the City's downtown is on-time and will be ready for the fall semester of 2026. The partnership also includes complete rehabilitation of the downtown Besse Hotel into student living accommodations and commercial and professional space. The implementation of a new financial management software will be completed by the end of 2026 as well, and the rebuilt city website will be completed by year-end. Major ongoing economic developments are scheduled to be completed, including the construction of a new building for the Kansas Bureau of Investigations, a new facility for EaglePicher manufacturing, and construction of a prove-out facility connected to PSU's Tyler Research Center, which began in 2025.

Major initiatives for the future. The City is planning to make safety and capacity improvements to the intersections at Free Kings and Quincy, and Free Kings and Atkinson, as well as adding turn lanes to the intersection of Fourth and Joplin to improve traffic flow and safety. Work will begin on the development of a new municipal soccer complex and the installation of artificial turf on three ballfields at Lincoln Park and the completion of the automatic meter reading initiative to provide easier and more reliable service.

Awards and acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2024. This was the twenty-ninth consecutive year that the City has received this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements. We believe our current ACFR continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the ACFR was truly a team effort and was made possible by the dedicated efforts of the entire staff of the Department of Finance. In closing, credit must also be given to the Mayor and the City Commission for their support for maintaining the highest standards of professionalism in the management of the City of Pittsburg's finances. We look forward to the challenges and opportunities of the future.

Respectfully submitted,

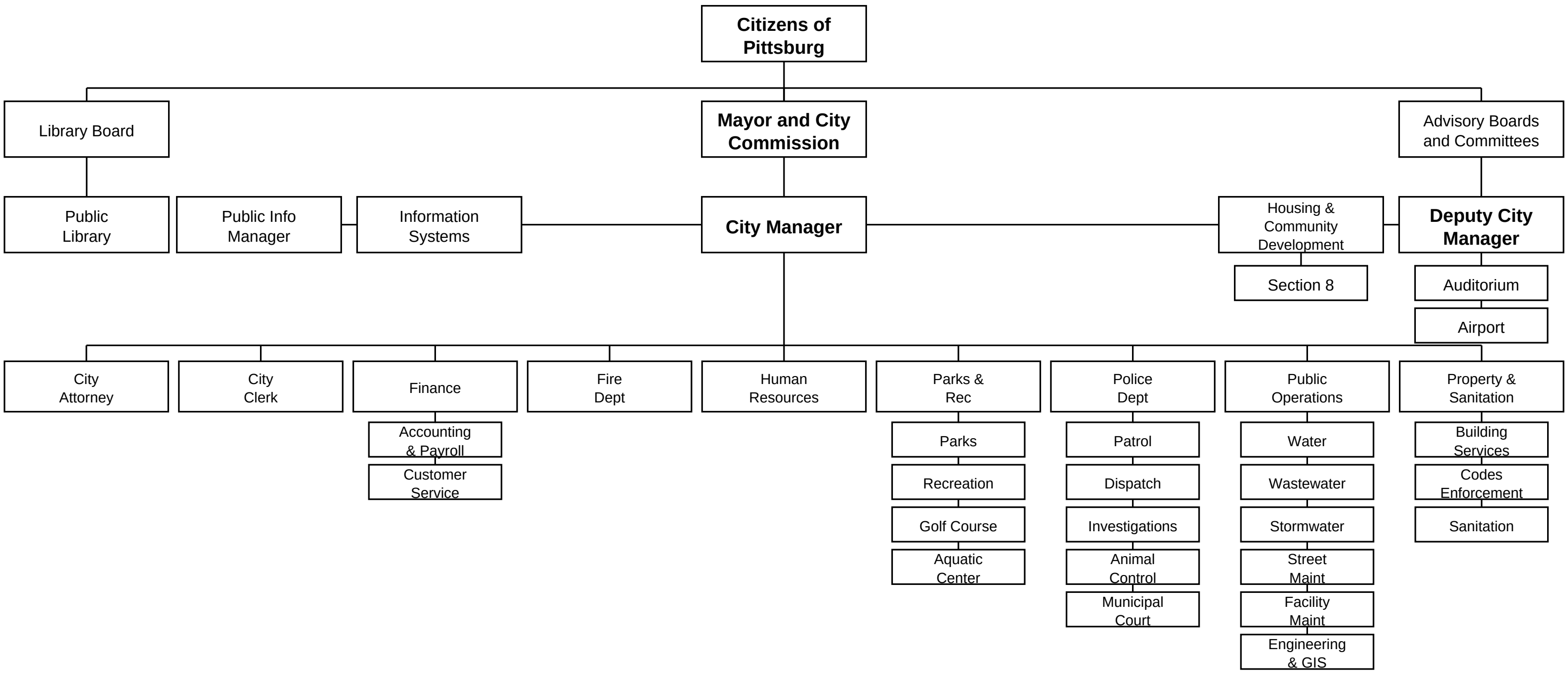
Daron Hall
City Manager

Missy Scott
Director of Finance

CITY OF PITTSBURG, KANSAS
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2025

TITLE	NAME
ELECTED:	
Mayor	Chuck Munsell
President of the Board	D.J. Perry
Commissioner	Cheryl Brooks
Commissioner	Stu Hite
Commissioner	F. Ronald Seglie, M.D.
APPOINTED:	
City Manager	Daron Hall
Deputy City Manager	Jay Byers
City Attorney	Henry Menghini
City Clerk	Tammy Nagel
Director of Finance	Missy Scott
Director of Housing & Community Development	Kim Froman
Director of Human Resources	Kim Vogel
Director of Parks and Recreation	Kris Loy
Director of Public Utilities	Matt Bacon
Fire Chief	Taylor Cerne
Police Chief	Brent Narges

CITY OF PITTSBURG
ORGANIZATIONAL CHART



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pittsburg
Kansas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

SWINDOLL JANZEN HAWK & LOYD, LLC
Certified Public Accountants

Helping you get from where you are to where you want to B.

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
City Commissioners
City of Pittsburg, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pittsburg, Kansas (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the street and highway fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, 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 audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City had an error correction that affected beginning fund balance and net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 and *Government Auditing Standards* 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 statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, 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 statements.

- 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'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 statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The statements and schedules listed under supplementary information in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Swindoll, Janzen, Hawk & Loyd, LLC

June 29, 2026
Topeka, Kansas

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Pittsburg (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iii of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

- The City earned $22,998,354 from tax revenues in fiscal year 2025, a 1.09% increase over prior year. There was an increase of 5.0% in franchise tax revenues over the prior fiscal year due to increase in electric utilities for the Eagle Picher plant and the new data center.

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2025 by $104,696,854. Of this amount, $(5,832,365) is unrestricted in use.

- At the close of 2025, the City's general fund reports an ending fund balance of $5,869,295 which is a decrease of $4,337,738 compared to the prior fiscal year due to increased economic development projects including Gorilla Rising.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The objective is to improve financial reporting by clarifying the appropriate use of the financial statement elements to ensure consistency in financial reporting.

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include general government, public safety, public works, sanitation and health, culture and recreation, industrial promotion and social welfare. The business-type activities of the City include water, wastewater and stormwater utilities.

The government-wide financial statements not only include the City itself (known as the primary government), but also a legally separate Library for which the City is financially accountable. Financial information presented for this component unit is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 15-17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains nineteen individual governmental funds. Major fund information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, street and highway fund, revolving loan fund, American rescue plan fund, capital projects, and the debt service fund. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, debt service fund, and library fund. Budgeted funds annually appropriated include General, Public Library, Special Drug & Alcohol, Special Parks & Recreation, Street & Highway, Debt Service, Public Utility, Stormwater, Property & Sanitation, Section 8 Housing, and Economic Development. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 18-27 of this report.

The City maintains three proprietary funds. These funds are presented as business-type activities in the government-wide financial statements. The City's proprietary funds are used to account for its water/wastewater operations, the stormwater operation and the property and sanitation operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements provide information for the water and wastewater operations, the stormwater operation and the property and sanitation operation which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 28-32 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-70 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Pittsburg's progress in funding its obligation to provide pension and post-employment benefits to its employees. This required supplementary information can be found on pages 71-74.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to basic financial statements. These combining and individual funds statements can be found on pages 76-81 of this report.

Requests for Information

This financial report is intended to give the reader a general overview of the City's finances. Questions about information contained in this report or requests for additional information should be directed to the Director of Finance or the Deputy Director of Finance, 201 W. 4th Street, Pittsburg, KS 66762.

Government-wide Financial Analysis

Net Position

	2024 Governmental Activities	2025 Governmental Activities	2024 Business-Type Activities	2025 Business-Type Activities	2024 Total Primary Government	2025 Total Primary Government
Current and other assets	$ 45,276,495	$ 50,676,276	$ 8,658,050	$ 4,517,451	$ 53,934,545	$ 55,193,727
Capital assets	57,145,240	61,331,306	48,906,489	71,904,097	106,051,729	133,235,403
Total assets	102,421,735	112,007,582	57,564,539	76,421,548	159,986,274	188,429,130
Deferred outflows of resources	3,620,196	3,580,450	556,005	607,926	4,176,201	4,188,376
Total assets and deferred outflows of resources	106,041,931	115,588,032	58,120,544	77,029,474	164,162,475	192,617,506
Long-term liabilities outstanding	30,615,880	36,915,874	8,850,630	23,940,292	39,466,510	60,856,166
Other liabilities	7,148,444	11,548,963	1,736,015	5,313,070	8,884,459	16,862,033
Total liabilities	37,764,324	48,464,837	10,586,645	29,253,362	48,350,969	77,718,199
Deferred inflows of resources	9,272,459	9,961,533	173,469	240,920	9,445,928	10,202,453
Total liabilities and deferred inflows of resources	47,036,783	58,426,370	10,760,114	29,494,282	57,796,897	87,920,652
Net position:						
Net investment in capital assets	40,852,733	39,299,117	41,609,904	49,947,479	82,462,637	89,246,596
Restricted	16,486,480	21,282,623	-	-	16,486,480	21,282,623
Unrestricted	1,665,935	(3,420,078)	5,750,526	(2,412,287)	7,416,461	(5,832,365)
Total net position	$ 59,005,148	$ 57,161,662	$ 47,360,430	$ 47,535,192	$ 106,365,578	$ 104,696,854

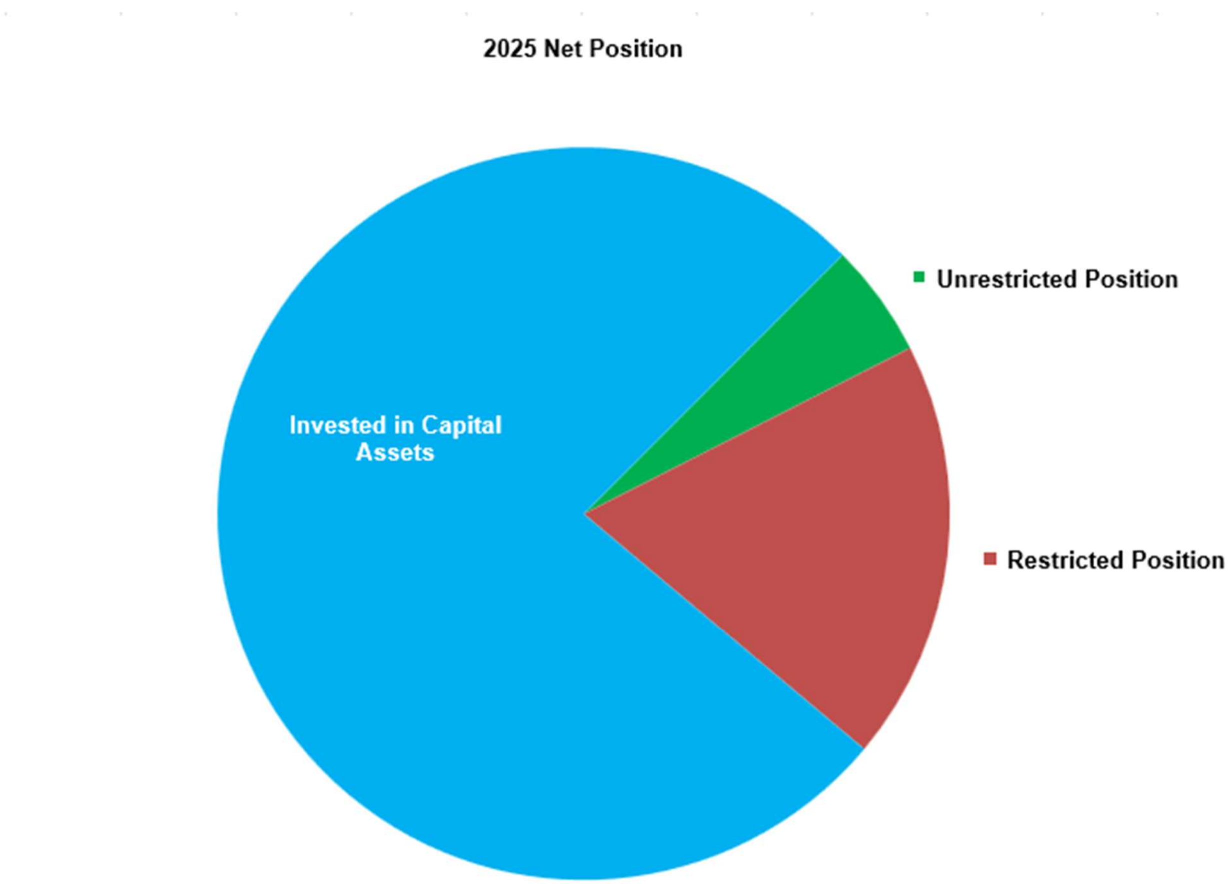
The accounting and financial reporting for pensions has an impact on deferred outflows of resources, deferred inflows of resources and the non-current liability. The City's net pension liability is $16,687,194 as of December 31, 2025. This liability impacts the unrestricted net position of the City. For more information on the City's pensions and other post-employment benefits see pages 55-66 in the Notes to the Basic Financial Statements.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $104,696,854 at the close of the 2025 fiscal year. Capital assets (land, buildings, machinery, equipment and infrastructure) represent 84.9% of the City's net position less any outstanding debt used to acquire the assets.

The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At December 31, 2025 restricted funds total $21,282,623 or 20.67% of the City's net position and represent resources that are subject to external restrictions on how they may be used. Unrestricted net position balance of $(5,832,365) or -5.58% may be used to meet the City's ongoing obligations to citizens and creditors without outside restrictions.

The pie chart below reflects the composition of the primary government's net position.



Primary Government Activities

The table below shows the condensed revenues, expenses and the changes in net position.

City of Pittsburg's Changes in Net Position

	2024 Governmental Activities	2025 Governmental Activities	2024 Business-Type Activities	2025 Business-Type Activities	2024 Total Primary Government	2025 Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 4,487,500	$ 4,930,815	$ 10,911,031	$ 12,076,229	$ 15,398,531	$ 17,007,044
Operating grants and contributions	4,264,910	5,116,660	-	-	4,264,910	5,116,660
Capital grants and contributions	4,329,787	1,746,193	-	-	4,329,787	1,746,193
General revenues						
Taxes	22,750,495	22,998,354	-	-	22,750,495	22,998,354
Other	2,511,385	2,076,965	174,062	309,025	2,685,447	2,385,990
Total revenues	38,344,077	36,868,987	11,085,093	12,385,254	49,429,170	49,254,241
Expenses						
General government	8,162,848	10,051,382	-	-	8,162,848	10,051,382
Public safety	11,980,164	12,462,990	-	-	11,980,164	12,462,990
Public works	5,977,879	5,169,811	-	-	5,977,879	5,169,811
Sanitation and health	410,338	507,644	-	-	410,338	507,644
Culture and recreation	8,446,522	5,884,787	-	-	8,446,522	5,884,787
Industrial promotion	2,108,651	1,559,901	-	-	2,108,651	1,559,901
Economic development	901,403	440,010	-	-	901,403	440,010
Social welfare	2,136,047	2,837,427	-	-	2,136,047	2,837,427
Interest on long term debt	536,244	799,037	-	-	536,244	799,037
Water/wastewater utility	-	-	8,153,921	8,957,026	8,153,921	8,957,026
Stormwater utility	-	-	1,124,941	833,294	1,124,941	833,294
Property and Sanitation utility	-	-	397,148	1,320,172	397,148	1,320,172
Total expenses	40,660,096	39,712,989	9,676,010	11,110,492	50,336,106	50,823,481
Increase (decrease) in net position before transfers	(2,316,019)	(2,844,002)	1,409,083	1,274,762	(906,936)	(1,569,240)
Transfers	1,410,877	1,100,000	(1,410,877)	(1,100,000)	-	-
Increase (decrease) in net position	(905,142)	(1,744,002)	(1,794)	174,762	(906,936)	(1,569,240)
Net position, beginning	60,363,320	59,005,148	47,553,382	47,360,430	107,916,702	106,365,578
Correction of an error	(453,030)	(99,484)	(191,158)	-	(644,188)	(99,484)
Net position, ending	$ 59,005,148	$ 57,161,662	$ 47,360,430	$ 47,535,192	$ 106,365,578	$ 104,696,854

This section will provide a brief discussion and analysis of the major changes in the City’s revenue sources and costs for services.

Governmental activities comprised 74.72% of the total revenues generated by the City and 78.89% of the City’s expenses. Comparing 2025 to 2024, tax revenues increased by 1.09% with increases in property and franchise taxes receipts due to increased assessed valuations and electric utilities.

Governmental capital grants and contributions decreased by 59.67% in 2025 due to the revenue received in the prior year from the MIH-ARPA for the Smithsonian project and from the state for the Quincy street project.

The governmental activities total expenses decreased $947,107 when comparing 2025 to 2024. In 2025 the decrease in governmental activity expenses is primarily due to prior year spending on various special projects including the Quincy street project and economic development projects including the Besse Reconstruction and PSU New Kelce School (aka Gorilla Rising).

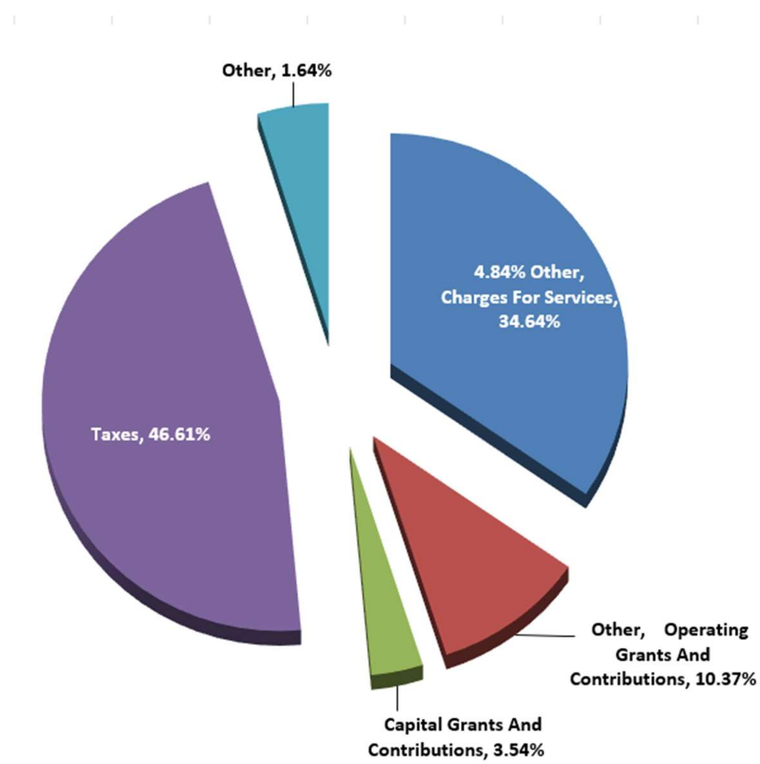
Business-Type Activities

Business-type activities in city government are operations that function like commercial enterprises, charging fee or user charges for goods or services provided to the public. These activities are financially self-sustaining through direct revenue from users, rather than relying on tax funds. They typically utilize a fee-for-service model where users pay a fee in exchange for a service, with the fee designed to cover all costs – including operations, staff, maintenance, and capital project debt – without needing transfers from the general fund. These activities are reported using proprietary fund accounting principles, similar to private section enterprises, to reflect all economic resources and obligations. For the City, these proprietary funds include water, wastewater, stormwater, and solid waste operations.

As self-supporting business operations, these city functions invest proportionately more in capital facilities and equipment than general city operations.

The following pie chart shows the composition of the 2025 primary government revenues.

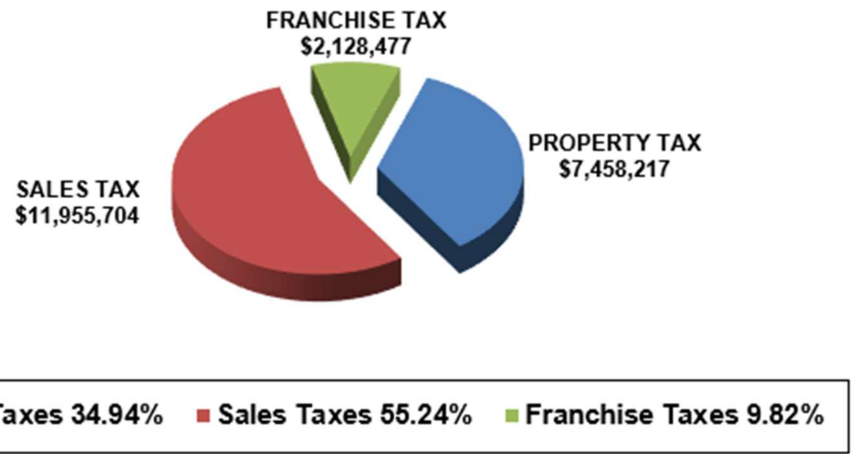
2025 Revenues by Source



The components of the City's taxes are property tax, sales tax and franchise tax. Total tax revenues were $22,998,354 in 2025 with sales tax being the City's largest tax revenue source.

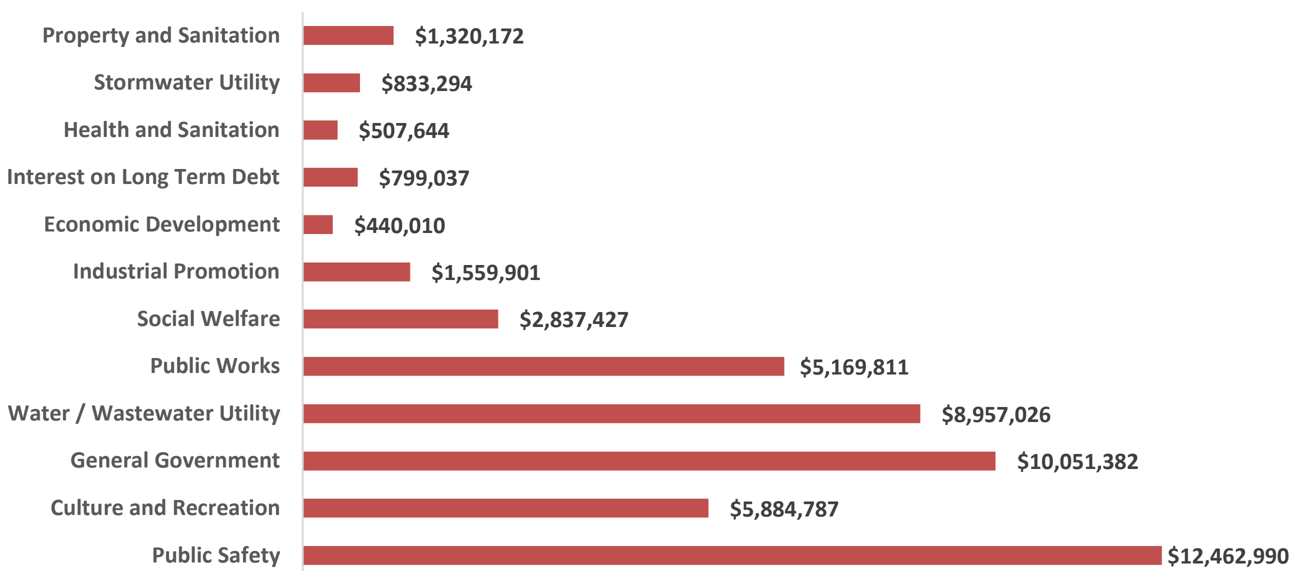
The pie chart below depicts the City's tax revenues by source.

2025 Taxes by Type



The following bar graph shows the composition of the 2025 primary government expenses.

2025 Cost of City Services



The City's public safety, general government and water/wastewater utility are the dominant expense categories. These three activities account for 59.79% of the total cost of City services for 2025. The total cost of services of the City's primary government for 2025 is $50,823,481. This represents an increase of $487,375 (0.97%) compared to 2024. This increase is primarily due to completion of water repairs and improvements, addition of public safety equipment, and investment in the Gorilla Rising project.

The City's mill levy rate remained relatively flat due to the City Commission's desire to not raise the mill levy rate in 2025. The table below reflects the changes in the City's mill levy for the past two fiscal periods.

City of Pittsburg's Mill Levy Rates

City of Pittsburg's Mill Levy Rates

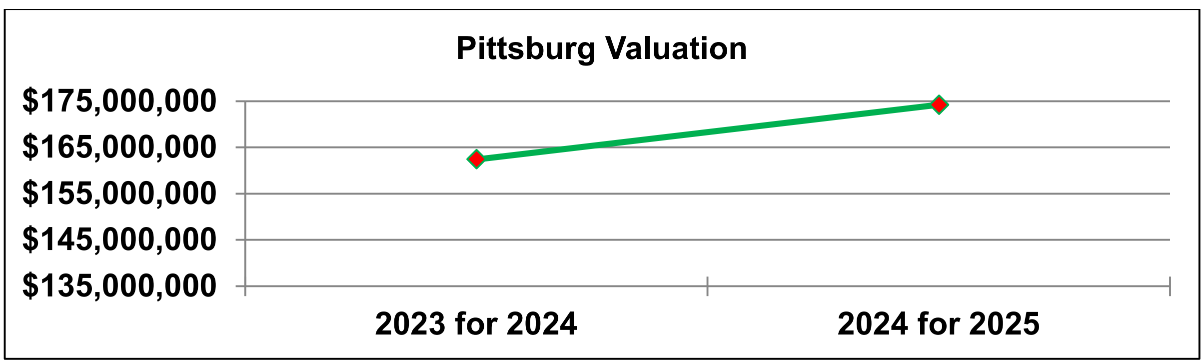
	2023 Levy to support 2024 Budget	2024 Levy to support 2025 Budget	Increase/ (Decrease) over prior year	% change
General fund	$ 36.977	$ 36.951	$ (0.026)	0.00%
Debt service fund	7.909	7.904	(0.005)	0.00%
Component unit	6.003	5.999	(0.004)	0.00%
Total mill levy	$ 50.889	$ 50.854	$ (0.035)	0.00%

The table below reflects the changes in the City's assessed valuation for the past two fiscal periods.

City of Pittsburg's Assessed Valuation

	2023 Valuation to support 2024 Budget	2024 Valuation to support 2025 Budget	Increase/ (Decrease) over prior year	% change
Real Property	$ 151,103,371	$ 159,799,417	$ 8,696,046	10.62%
Personal Property	2,750,031	2,747,310	(2,721)	-0.04%
State Assessed	8,552,945	8,866,047	313,102	-0.01%
Total	$ 162,406,347	$ 171,412,774	$ 9,006,427	9.64%

The change in assessed valuation increased significantly when comparing 2025 to 2024.



Analysis of the Fund Financial Statements

Governmental Funds
The City's governmental funds ending fund balances increased by a total of $1,453,101 from the prior year. The general fund decreased its fund balance by $4,337,738, largely due to planned one-time economic development incentives for transformational projects including Gorilla Rising. The Street and Highway fund balance decreased by $898,108 in 2025 due to the timing of street projects. The revolving loan fund decreased by $71,552 in 2025 as the result of funding for economic development projects. In 2025 the American rescue fund balance decreased $8,680. The 2025 capital projects fund increased by $6,251,105 due to the issuance of bonds. Lastly, the debt service fund ending balance increased by $283,234.

Compared to 2024 the total governmental fund revenues before transfers decreased $1,470,519 while the total governmental fund expenditures before transfers increased by $1,907,067. The decrease in revenues is due to the reduction of capital grants and contributions.

Before transfers, general fund revenues were up .65% and general fund expenditures were up 3.17% compared to 2024. The general fund revenue increase was due to an increase in sales and property tax receipts. The general fund expenditures increased due to an increase in debt service, economic development projects and increased information technology costs.

Proprietary Funds

The water and wastewater utility fund had an decrease of $4,654,464 in cash and cash equivalents for 2025. There was a decrease of $4,454,502 in current assets and an increase in current liabilities of $3,562,555 compared to 2023. These changes contributed to a decrease in unrestricted net position of $8,209,028.

Utility infrastructure projects completed during 2025 include new water meters, and various sanitary sewer and water line improvements throughout the City and design of a new wastewater treatment plant.

The expansion of the solid waste utility required short-term support from the General Fund for the acquisition of capital equipment and to accommodate initial personnel costs while the operation moved to self-sufficiency. It is anticipated that the solid waste operations will reimburse the General Fund upon self-sufficiency, which is anticipated in two years.

General Fund Budgetary Highlights

The following general fund revenue and expenditure categories experienced significant differences between the budgeted amount and the actual amount. A brief explanation of the differences is included.

CATEGORY	EXPLANATION
General government	The general government expenditures are over budget due to higher-than-expected group hospitalization health claims expense and higher information technology costs.
Culture and Recreation	Culture and Recreation expenditures are over budget due to Parks and Recreation addition personnel costs and additional capital outlay.
Public Safety	Public Safey expenditures are under budget due to police patrol personnel not being fully staffed during the year.

Capital Asset and Debt Administration

Capital Assets

The total investment in capital assets for the primary government at December 31, 2025 was $133,235,403, net of accumulated depreciation. The net capital assets increased by 25.6% from the 2024 total. Construction in progress for business type activities increased in 2025 due to the ongoing airport apron reconstruction and Quincy street projects. Business-type activities also saw an increase in construction in progress due to the ongoing wastewater treatment plant new construction project and SW Industrial Park Lift Station.

The following table categorizes the City's capital asset balances by type of asset.

City of Pittsburg's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities	
	2024	2025	2024	2025
Land	$ 4,303,605	$ 4,303,605	$ 582,812	$ 582,812
Buildings and improvements	13,891,978	14,175,656	14,246,286	14,553,431
Machinery and equipment	4,679,480	6,252,599	3,045,638	3,240,101
Leased assets	3,238,610	3,513,971	213,639	284,234
Infrastructure	20,991,270	29,345,753	27,229,603	26,102,208
Construction in progress	10,040,297	3,739,722	3,588,511	27,141,311
Total	$ 57,145,240	$ 61,331,306	$ 48,906,489	$ 71,904,097

For additional information on capital assets, please refer in the notes to the basic financial statements on pages 46-48.

Debt Administration
The following table reflects the City's outstanding long-term debt for the past two fiscal periods. The decrease in outstanding debt is due to the completion and expiration of the TIF.

City of Pittsburg's Outstanding Debt

	Governmental Activities		Business-Type Activities	
	2024	2025	2024	2025
General Obligation Bonds	$ 6,846,540	$ 11,415,000	$ 2,208,460	$ 1,795,000
Special Assessment Bonds	4,575,000	4,280,000	-	-
K.D.H.E. Construction Loans	-	-	3,748,637	18,747,119
Tax Increment Bonds (TIF)	-	-	-	-
Transportation Development District Bonds (TDD)	195,000	-	-	-
Notes Payable	1,498,596	2,722,922	972,706	998,793
Lease Obligations	2,977,058	3,378,290	221,980	295,038
Total	$ 16,092,194	$ 21,796,212	$ 7,151,783	$ 21,835,950

The City finances capital projects in a variety of ways: bond anticipation notes, general obligation bonds, special revenue bonds, intergovernmental grants and Kansas Department of Health and Environment (KDHE) loans. The City's most recent general obligation bonds are rated AA- by Standard and Poor's Ratings Services. Kansas State Statutes limit the amount of general obligation bonds a City can issue to 30% of its equalized tangible valuation. The current limitation for the City is $54,862,058 which is significantly higher than the general obligation bond outstanding debt.

The City's outstanding general obligation bonds at December 31, 2025, totaled $17,490,000; of this $5,785,000 is considered direct tax supported debt.

The special assessment bonds were issued to pay for the utility infrastructure of the Kansas Crossing Casino. The special assessment bond balance was reduced by $295,000 in 2025. This debt is being repaid solely by the Casino through a special assessment placed upon the property.

No new business-type activity bonded debt was issued in 2025. The remaining KDHE loans are for improvements at the wastewater plant, water treatment plant and collection systems.

The City's lease obligations and notes payable are repaid from dedicated sales tax revenues and business-type activities.

The transportation development district (TDD) bonds are for infrastructure improvements in the TIF district of the City. The TDD bonds are to be repaid with a special 3/10 percent sales tax in the TIF district only. For additional information on outstanding debt, please refer to note 10 in the notes to basic financial statements on pages 49-55.

BASIC FINANCIAL STATEMENTS

CITY OF PITTSBURG, KANSAS
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Library
Assets:				
Cash and cash equivalents	$ 31,994,926	$ 1,999,555	$ 33,994,481	$ 937,377
Restricted cash and investments	-	166,410	166,410	-
Receivables, net of allowance for uncollectibles:				
Taxes	10,939,439	-	10,939,439	1,011,435
Special assessments	4,802,384	-	4,802,384	-
Accounts	413,147	1,527,688	1,940,835	-
Intergovernmental	175,752	-	175,752	-
Interest	212,655	212,655	425,310	-
Loans receivable	1,335,889	-	1,335,889	-
Leases receivable	199,760	-	199,760	-
Internal balances	23,361	(23,361)	-	-
Inventory	56,332	538,122	594,454	-
Prepaid items	522,631	96,382	619,013	2,308
Capital assets, nondepreciable:				
Land	4,303,605	582,812	4,886,417	215,415
Construction in progress	3,739,722	27,141,311	30,881,033	-
Capital assets, net of accumulated depreciation/amortization:				
Building and improvements	14,175,656	14,553,431	28,729,087	1,523,313
Machinery and equipment	9,766,570	3,524,335	13,290,905	45,347
Infrastructure	29,345,753	26,102,208	55,447,961	-
Total assets	112,007,582	76,421,548	188,429,130	3,735,195
Deferred outflows of resources:				
Deferred outflows - pension	3,279,188	535,214	3,814,402	95,619
Deferred outflows - OPEB	301,262	72,712	373,974	16,110
Total deferred outflows of resources	3,580,450	607,926	4,188,376	111,729
Liabilities:				
Accounts payable and other current liabilities	2,670,206	3,921,585	6,591,791	27,347
Accrued interest payable	179,648	121,539	301,187	-
Liabilities payable from restricted cash	-	166,410	166,410	-
Unearned revenue	5,191,088	-	5,191,088	-
Noncurrent liabilities:				
Due within one year	3,508,021	1,103,536	4,611,557	6,585
Due in more than one year	36,915,874	23,940,292	60,856,166	549,160
Total liabilities	48,464,837	29,253,362	77,718,199	583,092
Deferred inflows of resources:				
Deferred inflows - pension	937,943	98,050	1,035,993	17,517
Deferred inflows - OPEB	592,457	142,870	735,327	31,679
Deferred inflows - property taxes	8,240,055	-	8,240,055	1,011,435
Deferred inflows - leases	191,078	-	191,078	-
Total deferred inflows of resources	9,961,533	240,920	10,202,453	1,060,631
Net position:				
Net investment in capital assets	39,299,117	49,947,479	89,246,596	1,784,075
Restricted for:				
Debt service	6,695,896	-	6,695,896	-
Housing	785,044	-	785,044	-
Street and highway	7,349,846	-	7,349,846	-
Capital projects	5,790,172		5,790,172	-
Other purposes	661,665	-	661,665	-
Unrestricted	(3,420,078)	(2,412,287)	(5,832,365)	419,126
Total net position	$ 57,161,662	$ 47,535,192	$ 104,696,854	$ 2,203,201

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

		Program Revenues		
Functions/Program	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Government activities:				
General government	$ 10,051,382	$ 2,523,579	$ 1,851,528	$ 160,319
Public safety	12,462,990	242,961	265,011	-
Public works	5,169,811	1,166,798	145,460	1,362,077
Health and sanitation	507,644	-	-	-
Culture and recreation	5,884,787	931,112	122,044	223,797
Industrial promotion	1,559,901	63,511	-	-
Economic development	440,010	-	-	-
Social welfare	2,837,427	2,854	2,732,617	-
Interest on long-term debt	799,037	-	-	-
Total governmental activities	39,712,989	4,930,815	5,116,660	1,746,193
Business-type activities:				
Water/wastewater	8,957,026	10,419,558	-	-
Stormwater	833,294	926,554	-	-
Property and sanitation	1,320,172	730,117	-	-
Total business-type activities	11,110,492	12,076,229	-	-
Total primary government	$ 50,823,481	$ 17,007,044	$ 5,116,660	$ 1,746,193
Component unit:				
Public library	$ 1,313,672	$ 2,987	$ -	$ -

(Continued)

CITY OF PITTSBURG, KANSAS
STATEMENT OF ACTIVITIES
(Continued)
Year Ended December 31, 2025

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
Functions/Program	Governmental Activities	Business-Type Activities	Total	Library
Government activities:				
General government	$ (5,515,956)	$ -	$ (5,515,956)	$ -
Public safety	(11,955,018)	-	(11,955,018)	-
Public works	(2,495,476)	-	(2,495,476)	-
Health and sanitation	(507,644)	-	(507,644)	-
Culture and recreation	(4,607,834)	-	(4,607,834)	-
Industrial promotion	(1,496,390)	-	(1,496,390)	-
Economic development	(440,010)	-	(440,010)	-
Social welfare	(101,956)	-	(101,956)	-
Interest on long-term debt	(799,037)	-	(799,037)	-
Total governmental activities	(27,919,321)	-	(27,919,321)	-
Business-type activities:				
Water/wastewater	-	1,462,532	1,462,532	-
Stormwater	-	93,260	93,260	-
Property and sanitation	-	(590,055)	(590,055)	-
Total business-type activities	-	965,737	965,737	-
Total primary government	(27,919,321)	965,737	(26,953,584)	-
Component unit:				
Public library	-	-	-	(1,310,685)
General revenues:				
Property taxes	8,035,740	-	8,035,740	1,074,713
Sales taxes	12,704,679	-	12,704,679	-
Franchise taxes	2,257,935	-	2,257,935	-
Unrestricted investment earnings	1,151,670	309,025	1,460,695	31,646
Miscellaneous	925,295	-	925,295	164,301
Transfers	1,100,000	(1,100,000)	-	-
Total general revenues and transfers	26,175,319	(790,975)	25,384,344	1,270,660
Change in net position	(1,744,002)	174,762	(1,569,240)	(40,025)
Net position, beginning of year	59,005,148	47,360,430	106,365,578	2,243,226
Correction of an error	(99,484)	-	(99,484)	-
Net position, beginning of year, as restated	58,905,664	47,360,430	106,266,094	2,243,226
Net position, end of year	$ 57,161,662	$ 47,535,192	$ 104,696,854	$ 2,203,201

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2025

	General	Street and Highway	Revolving Loans	American Rescue Plan	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:								
Cash and cash equivalents	$ 4,286,084	$ 7,563,504	$ 5,544,066	$ 857,603	$ 10,178,975	$ 2,039,776	$ 1,524,918	$ 31,994,926
Receivables (net of allowance for uncollectibles):								
Taxes	8,536,922	551,999	275,999	-	36,072	1,485,462	52,985	10,939,439
Special assessments	-	-	-	-	-	4,802,384	-	4,802,384
Accounts	257,568	440	-	-	87,398	-	67,741	413,147
Intergovernmental	-	175,752	-	-	-	-	-	175,752
Interest	212,655	-	-	-	-	-	-	212,655
Loans receivable	-	-	1,335,889	-	-	-	-	1,335,889
Leases receivable	132,813	-	66,947	-	-	-	-	199,760
Inventory	56,332	-	-	-	-	-	-	56,332
Prepaid items	30,139	2,896	489,596	-	-	-	-	522,631
Due from other funds	67,717	-	-	-	-	-	-	67,717
Total assets	$ 13,580,230	$ 8,294,591	$ 7,712,497	$ 857,603	$ 10,302,445	$ 8,327,622	$ 1,645,644	$ 50,720,632
Liabilities, deferred inflows of resources and fund balances:								
Liabilities:								
Accounts payable	$ 495,823	$ 918,847	$ 584,465	$ 102,135	$ 42,273	$ -	$ 62,313	$ 2,205,856
Accrued payroll	-	23,002	-	-	-	-	7,611	30,613
Accrued self-insurance claims	71,669	-	-	-	-	-	-	71,669
Unearned revenue	1,528	-	-	764,148	4,346,675	-	78,737	5,191,088
Due to other funds	-	-	-	-	-	-	44,356	44,356
Other	225,073	-	-	-	123,325	-	13,670	362,068
Total liabilities	794,093	941,849	584,465	866,283	4,512,273	-	206,687	7,905,650
Deferred inflows of resources:								
Deferred inflows - property taxes	6,787,977	-	-	-	-	1,452,078	-	8,240,055
Deferred inflows - special assessments	-	-	-	-	-	4,802,384	-	4,802,384
Deferred inflows - leases	128,865	-	62,213	-	-	-	-	191,078
Total deferred inflows of resources	6,916,842	-	62,213	-	-	6,254,462	-	13,233,517
Fund balances:								
Nonspendable	86,471	2,896	489,596	-	-	-	-	578,963
Restricted:								
Debt service	-	-	-	-	-	2,073,160	-	2,073,160
Capital projects	-	7,349,846	-	-	5,790,172	-	-	13,140,018
Housing	-	-	-	-	-	-	785,044	785,044
Other	-	-	-	-	-	-	661,665	661,665
Assigned:								
Industrial promotion	86,611	-	6,576,223	-	-	-	-	6,662,834
Unassigned	5,696,213	-	-	(8,680)	-	-	(7,752)	5,679,781
Total fund balances	5,869,295	7,352,742	7,065,819	(8,680)	5,790,172	2,073,160	1,438,957	29,581,465
Total liabilities, deferred inflows of resources and fund balances	$ 13,580,230	$ 8,294,591	$ 7,712,497	$ 857,603	$ 10,302,445	$ 8,327,622	$ 1,645,644	$ 50,720,632

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2025

Total fund balance in Governmental Funds Balance Sheet		$ 29,581,465
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
The cost of capital and leased assets is	$ 127,587,903	
Accumulated depreciation and amortization is	(66,256,597)	61,331,306
Pension and OPEB contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.		3,580,450
Pension and OPEB fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.		(1,530,400)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		4,802,384
The following liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. These liabilities at year-end consist of:		
Compensated absences	(1,629,746)	
Total OPEB liability	(2,185,958)	
Net pension liability	(14,576,002)	
General obligation bonds payable	(11,629,408)	
Special assessment bonds payable	(4,301,569)	
Notes payable - financed purchases	(2,722,922)	
Lease obligations payable	(3,378,290)	
Accrued interest on the bonds	(179,648)	(40,603,543)
Net position of governmental activities		$ 57,161,662

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	General	Street and Highway	Revolving Loans	American Rescue Plan	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:								
Taxes:								
Property	$ 6,619,728	$ -	$ -	$ -	$ -	$ 1,416,012	$ -	$ 8,035,740
Sales	8,074,027	2,967,583	1,483,791	-	1,492	176,827	959	12,704,679
Franchise	2,257,935	-	-	-	-	-	-	2,257,935
Licenses and permits	280,538	-	-	-	-	-	-	280,538
Intergovernmental	679,072	854,212	-	1,315,976	794,403	-	2,982,651	6,626,314
Charges for services	3,763,891	-	-	-	166,250	-	-	3,930,141
Fines and forfeitures	242,961	-	-	-	-	-	-	242,961
Special assessments	35,308	-	-	-	-	447,543	-	482,851
Investment earnings	507,698	295,229	167,442	-	5,058	149,542	26,701	1,151,670
Lease income	-	-	63,511	-	350,123	-	-	413,634
Miscellaneous	730,339	265,945	38,363	-	14,483	-	130,852	1,179,982
Total revenues	23,191,497	4,382,969	1,753,107	1,315,976	1,331,809	2,189,924	3,141,163	37,306,445
Expenditures:								
Current:								
General government	8,268,290	-	-	-	-	-	-	8,268,290
Public safety	11,331,332	-	-	-	-	-	-	11,331,332
Public works	1,071,357	2,414,924	-	-	-	-	-	3,486,281
Sanitation and health	361,160	-	-	-	-	-	146,484	507,644
Economic development	-	-	-	-	-	-	85,122	85,122
Culture and recreation	4,380,839	-	-	-	-	-	-	4,380,839
Industrial promotion	12,254	-	1,572,058	-	-	-	-	1,584,312
Social welfare	-	-	-	-	-	-	2,765,297	2,765,297
Debt service:								
Principal	1,319,984	-	25,817	-	-	1,551,540	-	2,897,341
Interest	256,345	-	26,784	-	-	433,832	-	716,961
Debt issuance costs and other	8,898	-	-	-	93,456	43,819	-	146,173
Capital outlay	3,764,396	2,456,153	200,000	1,324,656	1,651,165	-	113,420	9,509,790
Total expenditures	30,774,855	4,871,077	1,824,659	1,324,656	1,744,621	2,029,191	3,110,323	45,679,382
Excess/deficiency of revenues over (under) expenditures	(7,583,358)	(488,108)	(71,552)	(8,680)	(412,812)	160,733	30,840	(8,372,937)
Other financing sources (uses):								
Notes payable - financed purchases	1,915,926	-	-	-	-	-	-	1,915,926
Notes payable - leases	1,105,732	-	-	-	-	-	-	1,105,732
Bonds payable	-	-	-	-	5,630,000	-	-	5,630,000
Premium on bonds payable	-	-	-	-	74,380	-	-	74,380
Transfers in	1,600,000	590,000	-	-	1,082,038	122,501	204,000	3,598,539
Transfers out	(1,376,038)	(1,000,000)	-	-	(122,501)	-	-	(2,498,539)
Total other financing sources (uses)	3,245,620	(410,000)	-	-	6,663,917	122,501	204,000	9,826,038
Net change in fund balances	(4,337,738)	(898,108)	(71,552)	(8,680)	6,251,105	283,234	234,840	1,453,101
Fund balances, beginning of year	10,207,033	8,250,850	7,137,371	-	(460,933)	1,789,926	1,303,601	28,227,848
Correction of an error	-	-	-	-	-	-	(99,484)	(99,484)
Fund balances, beginning of year, restated	10,207,033	8,250,850	7,137,371	-	(460,933)	1,789,926	1,204,117	28,128,364
Fund balances, end of year	$ 5,869,295	$ 7,352,742	$ 7,065,819	$ (8,680)	$ 5,790,172	$ 2,073,160	$ 1,438,957	$ 29,581,465

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Net change in fund balances - total governmental funds		$ 1,453,101
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation and amortization expenses in the statement of activities. This is the amount by which capital outlay exceeds depreciation and amortization in the period.		
Capital outlay	8,165,534	
Depreciation and amortization expense	(4,116,446)	4,049,088
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.		136,977
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(437,459)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(76,791)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences	(327,065)	
Other postemployment benefits	(759,450)	
Pension	(42,720)	
Amortization of premiums	38,715	(1,090,520)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.		(5,778,398)
Change in net position of governmental activities		$ (1,744,002)

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - NON-GAAP BASIS
GENERAL FUND
Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues:				
Taxes	$ 16,656,213	$ 16,656,213	$ 17,070,783	$ 414,570
Intergovernmental	610,500	610,500	679,730	69,230
Licenses and permits	230,000	230,000	280,538	50,538
Charges for services	3,529,704	3,529,704	3,763,936	234,232
Fines and forfeitures	180,150	180,150	242,961	62,811
Interest	15,000	15,000	454,946	439,946
Miscellaneous	220,096	220,096	711,478	491,382
Total revenues	21,441,663	21,441,663	23,204,372	1,762,709
Expenditures:				
Principal	-	-	1,172,605	(1,172,605)
General government:				
General administration:				
Personnel services	1,201,011	1,201,011	1,106,511	94,500
Contractual services	670,162	670,162	547,918	122,244
Commodities	25,785	25,785	24,745	1,040
Capital outlay	-	-	8,898	(8,898)
Total general administration	1,896,958	1,896,958	1,688,072	208,886
Group hospitalization:				
Claims paid	1,958,832	1,958,832	3,222,372	(1,263,540)
Total group hospitalization	1,958,832	1,958,832	3,222,372	(1,263,540)
Human resources:				
Personnel services	228,351	228,351	232,352	(4,001)
Contractual services	152,856	152,856	170,659	(17,803)
Commodities	6,700	6,700	6,758	(58)
Total human resources	387,907	387,907	409,769	(21,862)
Information systems:				
Personnel services	501,730	501,730	412,296	89,434
Contractual services	334,948	334,948	1,141,842	(806,894)
Commodities	101,800	101,800	238,952	(137,152)
Capital outlay	75,000	75,000	103,943	(28,943)
Total information systems	1,013,478	1,013,478	1,897,033	(883,555)
Facility maintenance:				
Personnel services	213,748	213,748	237,478	(23,730)
Contractual services	15,150	15,150	10,329	4,821
Commodities	208,050	208,050	391,875	(183,825)
Capital outlay	-	-	33,447	(33,447)
Total facility maintenance	$ 436,948	$ 436,948	$ 673,129	$ (236,181)

(Continued)

CITY OF PITTSBURG, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - NON-GAAP BASIS
(Continued)
GENERAL FUND
Year Ended December 31, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts Budgetary Basis	Variance with Final Budget
General government (continued):				
Municipal court:				
Personnel services	$ 285,615	$ 285,615	$ 271,330	$ 14,285
Contractual services	48,128	48,128	39,063	9,065
Commodities	7,000	7,000	7,143	(143)
Capital outlay	-	-	249	(249)
Total municipal court	340,743	340,743	317,785	22,958
Total general government	6,034,866	6,034,866	8,208,160	(2,173,294)
Public safety:				
Police department:				
Personnel services	5,862,808	5,862,808	5,246,774	616,034
Contractual services	817,778	817,778	727,153	90,625
Commodities	322,083	322,083	255,887	66,196
Capital outlay	689,500	689,500	637,956	51,544
Total police department	7,692,169	7,692,169	6,867,770	824,399
Fire department:				
Personnel services	2,899,800	2,899,800	3,124,229	(224,429)
Contractual services	240,149	240,149	235,895	4,254
Commodities	190,500	190,500	156,480	34,020
Capital outlay	524,363	524,363	631,781	(107,418)
Total fire department	3,854,812	3,854,812	4,148,385	(293,573)
Public safety - other:				
Building services:				
Personnel services	534,199	534,199	422,245	111,954
Contractual services	27,344	27,344	81,400	(54,056)
Commodities	23,000	23,000	17,707	5,293
Capital outlay	58,000	58,000	73,096	(15,096)
Total building services	642,543	642,543	594,448	48,095
Codes enforcement:				
Personnel services	154,479	154,479	160,021	(5,542)
Contractual services	37,596	37,596	30,800	6,796
Commodities	8,605	8,605	25,964	(17,359)
Capital outlay	18,000	18,000	26,335	(8,335)
Total codes enforcement	$ 218,680	$ 218,680	$ 243,120	$ (24,440)

(Continued)

CITY OF PITTSBURG, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - NON-GAAP BASIS
(Continued)
GENERAL FUND
Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Public safety - other (continued):				
Animal control:				
Personnel services	$ 113,579	$ 113,579	$ 111,694	$ 1,885
Contractual services	29,587	29,587	28,514	1,073
Commodities	10,900	10,900	9,549	1,351
Capital outlay	-	-	9,780	(9,780)
Total animal control	154,066	154,066	159,537	(5,471)
Planning and housing:				
Personnel services	430,319	430,319	399,428	30,891
Contractual services	148,025	148,025	188,019	(39,994)
Commodities	5,000	5,000	1,502	3,498
Total planning and housing	583,344	583,344	588,949	(5,605)
Total public safety - other	1,598,633	1,598,633	1,586,054	12,579
Total public safety	13,145,614	13,145,614	12,602,209	543,405
Public works:				
Engineering department:				
Personnel services	181,286	181,286	131,571	49,715
Contractual services	107,094	107,094	79,328	27,766
Commodities	11,006	11,006	3,225	7,781
Capital outlay	195,000	195,000	335,574	(140,574)
Total engineering department	494,386	494,386	549,698	(55,312)
Atkinson Airport:				
Personnel services	195,830	195,830	191,253	4,577
Contractual services	83,690	83,690	57,832	25,858
Commodities	634,230	634,230	573,454	60,776
Capital outlay	45,000	45,000	71,951	(26,951)
Total Atkinson Airport	958,750	958,750	894,490	64,260
Total public works	$ 1,453,136	$ 1,453,136	$ 1,444,188	$ 8,948

(Continued)

CITY OF PITTSBURG, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - NON-GAAP BASIS
(Continued)
GENERAL FUND
Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Sanitation and health:				
Mt. Olive Cemetery:				
Personnel services	$ 59,784	$ 59,784	$ 57,817	$ 1,967
Contractual services	178,526	178,526	245,126	(66,600)
Commodities	75,413	75,413	58,697	16,716
Capital outlay	2,321	2,321	-	2,321
Total sanitation and health	316,044	316,044	361,640	(45,596)
Culture and recreation:				
Parks and recreation:				
Personnel services	1,094,710	1,094,710	1,280,965	(186,255)
Contractual services	228,288	228,288	220,734	7,554
Commodities	152,813	152,813	151,587	1,226
Capital outlay	140,000	140,000	380,492	(240,492)
Total parks and recreation	1,615,811	1,615,811	2,033,778	(417,967)
Aquatic center:				
Personnel services	127,527	127,527	146,270	(18,743)
Contractual services	53,655	53,655	33,115	20,540
Commodities	60,850	60,850	67,059	(6,209)
Capital outlay	-	-	79,948	(79,948)
Total aquatic center	242,032	242,032	326,392	(84,360)
JC ballpark turf reserve:				
Capital outlay	2,500	2,500	1,210	1,290
Total JC ballpark turf reserve	2,500	2,500	1,210	1,290
Four Oaks Complex:				
Personnel services	360,199	360,199	445,214	(85,015)
Contractual services	83,241	83,241	48,419	34,822
Commodities	104,708	104,708	107,506	(2,798)
Capital outlay	25,000	25,000	104,044	(79,044)
Total Four Oaks Complex	573,148	573,148	705,183	(132,035)
Memorial Auditorium and Convention Center:				
Personnel services	485,987	485,987	427,589	58,398
Contractual services	159,243	159,243	159,461	(218)
Commodities	169,450	169,450	75,737	93,713
Capital outlay	80,000	80,000	17,400	62,600
Total Memorial Auditorium and Convention Center	$ 894,680	$ 894,680	$ 680,187	$ 214,493

(Continued)

CITY OF PITTSBURG, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - NON-GAAP BASIS
(Continued)
GENERAL FUND
Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Culture and recreation (continued):				
Farmers market:				
Personnel services	$ 5,620	$ 5,620	$ -	$ 5,620
Contractual services	7,303	7,303	7,924	(621)
Commodities	800	800	4,901	(4,101)
Total farmers market	13,723	13,723	12,825	898
Total culture and recreation	3,341,894	3,341,894	3,759,575	(417,681)
Operating reserve	5,665,626	5,665,626	-	5,665,626
Total expenditures	29,957,180	29,957,180	27,548,377	2,408,803
Excess (deficiency) of revenues over (under) expenditures	(8,515,517)	(8,515,517)	(4,344,005)	4,171,512
Other financing sources (uses):				
Transfers in	1,743,000	1,743,000	1,600,000	(143,000)
Transfers out	(590,000)	(590,000)	(1,376,037)	(786,037)
Total other financing sources (uses)	1,153,000	1,153,000	223,963	(929,037)
Net change in fund balances	(7,362,517)	(7,362,517)	(4,120,042)	3,242,475
Fund balance, beginning of year	7,362,517	7,362,517	8,234,179	871,662
Fund balance, end of year	$ -	$ -	$ 4,114,137	$ 4,114,137

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - NON-GAAP BASIS
STREET AND HIGHWAY FUND
Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues:				
Taxes	$ 2,865,000	$ 2,865,000	$ 3,039,774	$ 174,774
Intergovernmental	750,000	750,000	1,071,768	321,768
Interest	5,000	5,000	75,743	70,743
Miscellaneous	250	250	265,945	265,695
Total revenues	3,620,250	3,620,250	4,453,230	832,980
Expenditures:				
Personnel services	707,703	707,703	724,231	(16,528)
Contractual services	457,557	457,557	596,311	(138,754)
Commodities	905,000	905,000	1,027,431	(122,431)
Capital outlay	2,600,000	2,600,000	2,231,219	368,781
Operating reserves	3,590,982	3,590,982	-	3,590,982
Total expenditures	8,261,242	8,261,242	4,579,192	3,682,050
Excess (deficiency) of revenues over (under) expenditures	(4,640,992)	(4,640,992)	(125,962)	4,515,030
Other financing sources (uses):				
Transfer in	590,000	590,000	590,000	-
Transfer out	-	-	(1,000,000)	(1,000,000)
Total other financing sources (uses)	590,000	590,000	(410,000)	(1,000,000)
Net change in fund balances	(4,050,992)	(4,050,992)	(535,962)	3,515,030
Fund balance, beginning of year	4,050,992	4,050,992	7,469,496	3,418,504
Fund balance, end of year	$ -	$ -	$ 6,933,534	$ 6,933,534

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2025

	Water/ Wastewater	Stormwater	Property and Sanitation	Total Enterprise Funds
Assets:				
Current assets:				
Cash and cash equivalents	$ 693,369	$ 1,306,186	$ -	$ 1,999,555
Restricted cash - customer deposits	166,410	-	-	166,410
Accounts receivable, net of allowance for uncollectibles	1,378,055	45,503	104,130	1,527,688
Interest receivable	212,655	-	-	212,655
Inventory	538,122	-	-	538,122
Prepaid expenses	91,658	3,150	1,574	96,382
Total current assets	3,080,269	1,354,839	105,704	4,540,812
Noncurrent assets:				
Capital assets, nondepreciable:				
Land	474,742	108,070	-	582,812
Construction in progress	27,141,311	-	-	27,141,311
Capital assets, depreciable	85,194,873	7,067,889	1,152,671	93,415,433
Less accumulated depreciation/amortization	(46,268,667)	(2,790,122)	(176,670)	(49,235,459)
Total noncurrent assets	66,542,259	4,385,837	976,001	71,904,097
Total assets	69,622,528	5,740,676	1,081,705	76,444,909
Deferred outflows of resources:				
Deferred outflows - pension	385,521	62,850	86,843	535,214
Deferred outflows - OPEB	51,803	9,090	11,819	72,712
Total deferred outflows of resources	437,324	71,940	98,662	607,926
Total assets and deferred outflows of resources	$ 70,059,852	$ 5,812,616	$ 1,180,367	$ 77,052,835

(Continued)

CITY OF PITTSBURG, KANSAS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
(Continued)
December 31, 2025

	Water/ Wastewater	Stormwater	Property and Sanitation	Total Enterprise Funds
Liabilities:				
Current liabilities:				
Accounts payable	$ 3,738,245	$ 114	$ 58,545	$ 3,796,904
Accrued payroll	91,370	16,803	16,508	124,681
Accrued interest payable	121,539	-	-	121,539
Customer deposits payable	166,410	-	-	166,410
Due to other funds	-	-	23,361	23,361
Current portion of total OPEB liability	1,058	186	241	1,485
Current portion of compensated absences	65,548	3,252	8,117	76,917
Current portion of notes payable - financed purchases	135,911	-	97,355	233,266
Current portion of general obligation bonds payable	335,000	-	-	335,000
Current portion of construction loans payable	333,593	-	-	333,593
Current portion of lease obligations payable	105,621	17,654	-	123,275
Total current liabilities	5,094,295	38,009	204,127	5,336,431
Noncurrent liabilities:				
Total OPEB liability	374,830	65,763	85,522	526,115
Net pension liability	1,520,709	247,918	342,565	2,111,192
Compensated absences	316,595	44,067	10,839	371,501
General obligation bonds payable	1,580,668	-	-	1,580,668
Construction loans payable	18,413,526	-	-	18,413,526
Financed purchases payable	291,623	-	473,904	765,527
Lease obligations payable	152,459	19,304	-	171,763
Total noncurrent liabilities	22,650,410	377,052	912,830	23,940,292
Total liabilities	27,744,705	415,061	1,116,957	29,276,723
Deferred inflows of resources:				
Deferred inflows - pension	70,627	11,514	15,909	98,050
Deferred inflows - OPEB	101,755	17,874	23,241	142,870
Total deferred inflows of resources	172,382	29,388	39,150	240,920
Total liabilities and deferred inflows of resources	27,917,087	444,449	1,156,107	29,517,643
Net position:				
Net investment in capital assets	45,193,858	4,348,879	404,742	49,947,479
Unrestricted	(3,051,093)	1,019,288	(380,482)	(2,412,287)
Total net position	$ 42,142,765	$ 5,368,167	$ 24,260	$ 47,535,192

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
Year Ended December 31, 2025

	Water/ Wastewater	Stormwater	Property and Sanitation	Total Enterprise Funds
Operating revenues:				
Charges for sales and services:				
Water charges	$ 5,291,821	$ -	$ -	$ 5,291,821
Wastewater charges	4,832,767	-	-	4,832,767
Stormwater charges	-	921,906	-	921,906
Sanitation charges	-	-	725,920	725,920
Other charges	294,970	4,648	4,197	303,815
Total operating revenues	10,419,558	926,554	730,117	12,076,229
Operating expenses:				
Cost of sales and services	3,834,682	149,105	290,140	4,273,927
Administration	2,720,743	464,260	875,802	4,060,805
Depreciation and amortization	2,190,625	219,929	135,078	2,545,632
Total operating expenses	8,746,050	833,294	1,301,020	10,880,364
Operating income (loss)	1,673,508	93,260	(570,903)	1,195,865
Nonoperating revenues (expenses):				
Interest revenue	266,565	42,447	13	309,025
Interest expense	(210,976)	-	(19,152)	(230,128)
Total nonoperating revenues (expenses)	55,589	42,447	(19,139)	78,897
Income (loss) before transfers	1,729,097	135,707	(590,042)	1,274,762
Transfers in	-	-	500,000	500,000
Transfers out	(1,600,000)	-	-	(1,600,000)
Change in net position	129,097	135,707	(90,042)	174,762
Net position, beginning of year	42,013,668	5,232,460	114,302	47,360,430
Net position, end of year	$ 42,142,765	$ 5,368,167	$ 24,260	$ 47,535,192

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
Year Ended December 31, 2025

	Water/ Wastewater	Stormwater	Property and Sanitation	Total Enterprise Funds
Cash flows from operating activities:				
Receipts from customers and users	$ 10,207,770	$ 923,498	$ 682,041	$ 11,813,309
Payments to suppliers	(1,198,482)	(152,961)	(299,854)	(1,651,297)
Payments to employees	(2,596,820)	(460,036)	(602,166)	(3,659,022)
Net cash provided by (used in) operating activities	6,412,468	310,501	(219,979)	6,502,990
Cash flows from capital and related financing activities:				
Issuance of capitalization grant/construction loan payable	15,587,830	-	-	15,587,830
Payments of capitalization grant/construction loan payable	(589,349)	-	-	(589,349)
Acquisition and construction of capital assets	(23,904,887)	(15,783)	(157,287)	(24,077,957)
Principal paid on notes payable - financed purchases	(129,712)	-	(103,101)	(232,813)
Principal paid on lease obligations payable	(93,431)	(17,846)	-	(111,277)
Principal paid on general obligation bonds	(413,460)	-	-	(413,460)
Interest paid on capital debt	(170,239)	-	(19,152)	(189,391)
Net cash provided by (used in) capital and related financing activities	(9,713,248)	(33,629)	(279,540)	(10,026,417)
Cash flows from noncapital financing activities:				
Interest received	215,316	42,447	13	257,776
Cash flows from noncapital financing activities:				
Transfers in	-	-	499,506	499,506
Transfers out	(1,600,000)	-	-	(1,600,000)
Net cash provided by (used in) noncapital financing activities	(1,600,000)	-	499,506	(1,100,494)
Net increase in cash and cash equivalents	(4,685,464)	319,319	-	(4,366,145)
Cash and cash equivalents, beginning of year	5,545,243	986,867	-	6,532,110
Cash and cash equivalents, end of year	$ 859,779	$ 1,306,186	$ -	$ 2,165,965

(Continued)

CITY OF PITTSBURG, KANSAS
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
(Continued)
Year Ended December 31, 2025

	Water/ Wastewater	Stormwater	Stormwater	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 1,673,508	$ 93,260	$ (570,903)	$ 1,195,865
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	2,190,625	219,929	135,078	2,545,632
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(181,070)	(3,056)	(48,076)	(232,202)
Decrease (increase) in inventory	90,507	-	-	90,507
Decrease (increase) in prepaid expenses	(28,710)	(1,824)	(1,574)	(32,108)
Decrease (increase) in deferred outflows - pension	2,425	4,102	(61,911)	(55,384)
Decrease (increase) in deferred outflows - OPEB	8,737	2,685	(7,959)	3,463
Increase (decrease) in accounts payable	2,574,403	(2,032)	(8,140)	2,564,231
Increase (decrease) in customer deposits	(30,718)	-	-	(30,718)
Increase (decrease) in compensated absences payable	11,664	1,567	2,326	15,557
Increase (decrease) in deferred inflows - pension	38,987	6,053	13,876	58,916
Increase (decrease) in deferred inflows - OPEB	(5,006)	(2,891)	16,432	8,535
Increase (decrease) in net pension liability	(61,329)	(25,116)	240,889	154,444
Increase (decrease) in net OPEB liability	128,445	17,824	69,983	216,252
Net cash provided by (used in) operating activities	$ 6,412,468	$ 310,501	$ (219,979)	$ 6,502,990
Noncash capital and investing activities:				
Right-to-use assets acquired through lease obligations	$ 184,335	$ -	$ -	$ 184,335
Cash consists of:				
Cash and cash equivalents	$ 693,369	$ 1,306,186	$ -	$ 1,999,555
Restricted cash	166,410	-	-	166,410
	$ 859,779	$ 1,306,186	$ -	$ 2,165,965
Noncash capital and investing activities:				
Assets acquired through financed purchases	$ -	$ -	$ 258,900	$ 258,900
Capital assets acquired through accounts payable	1,022,047	-	-	1,022,047

See accompanying notes to basic financial statements.

1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Pittsburg, Kansas (the City) is a municipal corporation governed under an elected five-member commission. The accompanying basic financial statements present the City (the primary government) and its component unit, an entity for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

Discretely Presented Component Unit

The Pittsburg Public Library (the Library) is operated by a Library Board which is appointed by the City Commission. The City levies and collects a special library tax to subsidize the Library's operations. The Library's operating budget is subject to the approval of the City Commission. The City must approve acquisition or disposition of real property by the Library, but the Library owns the capital assets. Bond issuances must also be approved by the City. The Library is presented as a governmental fund type. Separately issued financial statements for the Library are not available.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are generally considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. A 90-day availability period is used for revenue recognition for all governmental funds revenues except property taxes for which a 60-day availability period is used. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property taxes, sales taxes, franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City. While property taxes receivable are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year end because statutory provisions prohibit their use until the year for which they were levied and budgeted. Instead, they are offset by unavailable revenue accounts.

The City reports the following major governmental funds:

General Fund – The general fund is used to account for all financial resources except those required to be accounted for in another fund.

Street and Highway Fund – The street and highway fund is used to account for the construction, reconstruction, alteration, repair and maintenance of the streets and highways of the City and for payment of bonds and interest associated with street and highway projects. Financing is through motor vehicle tax receipts distributed to cities from the State of Kansas and from transfers from the City's General Fund.

Revolving Loans Fund – The revolving loans fund is used to account for revolving loan proceeds involving various revenue sources including local sales tax proceeds utilized for industrial development purposes, revolving funds from rental rehabilitation grants, and revolving funds received from industrial development grants.

American Rescue Plan Fund – The American rescue plan fund is used to account for American Rescue Plan Act (ARPA) monies distributed by the State of Kansas to address medical or public health needs related to the pandemic.

Capital Projects Fund – The capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Debt Service Fund – The debt service fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The City reports the following major proprietary funds:

Water/Wastewater Fund – The water/wastewater fund is used to account for the operation and maintenance activities of the City's water and wastewater collection and treatment systems.

Stormwater Fund – The stormwater fund is used to account for the operation and maintenance activities of the City's stormwater utility.

Property and Sanitation Fund – The property and sanitation fund is used to account for the operation and maintenance activities of the City's solid waste utility.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water/wastewater fund, the stormwater fund, and the property and sanitation fund are charges to customers for sales and services. Operating expenses for the water/wastewater fund, the stormwater fund, and the property and sanitation fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Investments

In accordance with the City's formal investment policy adopted by the governing body, the City may form a pool that is managed by the Director of Finance. Each fund's equity in the pool is included in cash and cash equivalents in the financial statements. These pooled investments consist of operating accounts and nonnegotiable certificates of deposit that are recorded at cost because they are not affected by market rate changes. Investment earnings, including interest income, are allocated to the funds required to accumulate interest; other investment earnings are allocated based on management discretion and upon their average daily equity balances. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund. For the fiscal year ended December 31, 2025, interest earnings allocated to the various funds were $ 1,460,695.

Cash Flows Statement

For purposes of the cash flows statement, the City considers deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade accounts receivable are shown net of an allowance for uncollectibles. Management records an allowance equal to 5% of the trade accounts receivable.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the governmental funds unavailable revenue is reported as follows:

General fund property taxes receivable	$	6,787,977
General fund leases receivable		128,865
Revolving loan fund leases receivable		62,213
Debt service fund property taxes receivable		1,452,078
Debt service fund special assessments receivable		4,802,384
	$	13,233,517

Property Taxes

The City's property taxes are levied each year on the assessed value of all real estate listed as of the prior January 1, the lien date. Assessed values are established by Crawford County. The assessed value upon which the 2025 levy was based was $ 168,605,927.

Property taxes are legally restricted for use in financing operations of the ensuing year. Accordingly, the City defers revenue recognition until the year for which they are to be used. Property taxes are levied on November 1. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. Property taxes become delinquent on December 20 of each fiscal year if the taxpayer has not remitted at least one-half of the amount due. The 2025 tax levy per $ 1,000 of assessed valuation was as follows:

General Fund	$	36.951
Debt Service Fund		7.904
Component unit:		
Library		5.999
	$	50.854

Special Assessments Receivable

As required by State statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Further, State statutes permit levying additional general ad valorem property taxes in the City's debt service fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the City's debt service fund. Special assessment taxes are levied over a ten or twenty-year period and the annual installments are due and payable with annual ad valorem property taxes. At December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund and accrued as revenues in the statement of activities. Since they are not considered available spendable resources for the governmental funds, the special assessment receivables are reported as unavailable revenue in the fund financial statements.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items of governmental funds are recorded as expenditures when consumed rather than when purchased.

Restricted Assets

The State of Kansas requires the City to maintain customer utility deposits separate from City assets. Interest earned is credited back to customers as required by State statutes. Restricted investments are set aside for debt service payments and for required debt reserves.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, curbs and gutters, sidewalks and similar items) and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than $ 5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in service concession arrangements are recorded at acquisition value. Right-to-use lease assets are measured as discussed below.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life are the asset are not capitalized.

Property, plant and equipment of the primary government, as well as the component unit, is depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	15 – 50 years
Office equipment	3 – 15 years
Machinery and equipment	3 – 15 years

Water and sewer treatment plants	50 years
Water and sewer mains	50 years
Infrastructure	15 – 50 years

Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for pension and OPEB in the government-wide and proprietary funds statements of net position. See Note 11 and Note 12 for more information on the deferred outflows for the pension and OPEB plans, respectively.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has several items that qualify for reporting in this category. The governmental funds balance sheet reports deferred inflows from property taxes, special assessments and leases receivable. Deferred inflows from property taxes and leases receivable are also reported in the governmental activities in the statement of net position. *Deferred inflows for pension* and *deferred inflows for OPEB* are reported in the government-wide and proprietary funds statements of net position. See Note 11 and Note 12 for more information on the deferred inflows for the pension and OPEB plans, respectively.

Compensated Absences

It is the City's policy to permit employees to accrue vacation and sick leave in varying amounts. Certain employees also accrue compensatory time. The government-wide and proprietary funds financial statements recognize liability for accrued compensated absences for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A liability is also recognized for leave that has been used but not yet paid in cash or settled through noncash means. In the governmental fund financial statements, a liability is accrued for the amount that normally would be liquidated with expendable available financial resources.

Leases

The City is a lessee for leases of machinery and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the statement of net position. The City recognizes lease liabilities with an initial, individual value of $ 5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of lease payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The City is a lessor for leases of buildings and land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of KPERS and additions to/deductions from KPERS's fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2025, fund balances for governmental funds are made up of the following:

Nonspendable fund balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balance – includes amounts that can only be used for specific purposes determined by a formal action (resolution) of the City's highest level of decision-making authority, the City Commission. Commitments may be changed or lifted only by the City Commission taking the same formal action that imposed the constraint originally (resolution).

Assigned fund balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Commission or (2) the City Manager to which the City Commission has delegated the authority to assign amounts to be used for specific purposes. The authority for management to assign fund balance is provided by the City's purchasing policy.

Unassigned fund balance – is the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Net Position

The City's net position is classified as follows:

Net investment in capital assets – This represents the City's total investment in capital assets, net of accumulated depreciation and related debt.

Restricted net position – This includes resources that are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties.

Unrestricted net position – This includes resources derived from charges for services, property taxes, state appropriations and interest. The resources are used for transactions relating to the general operations of the City and may be used to meet current expenses in accordance with approved budgets.

Concentrations of Credit Risk

Loans are extended, on a fully secured basis, to local industries under the revolving economic development loan program. Credit is extended to citizens for special assessments levied by the City for capital improvements. These special assessments are secured by liens on the related properties. Unsecured credit is extended to customers for water, sewer and refuse fees and charges for services.

Intergovernmental receivables include unsecured amounts due from federal, state and county agencies for various grant programs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

During the year, the City adopted the following accounting standards:

GASB Statement No. 102, *Certain Risk Disclosures* – The statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by assessing whether a concentration or constraint makes the primary government reporting units vulnerable to the risk of substantial impact.

Pending Governmental Accounting Standards Board Statements

At December 31, 2025, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement will become effective for the City in the fiscal year ended December 31, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and additional disclosures for capital assets held for sale. The requirements of this Statement will become effective for the City in the fiscal year ended December 31, 2026.

GASB Statement No. 105, *Subsequent Events* – The objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing the consistency in their application and better meeting the information needs of financial statement users. This statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this statement are effective for the City in the fiscal year ending December 31, 2027.

Correction of an Error

In the prior fiscal year, the City had classified a liability as a revenue account. The result was overstated revenue and understated liabilities of $ 99,484. The impact of the correction of this error on fund balance and net position is as follows:

	Other Governmental Funds	Governmental Activities
Fund balance/net position, beginning	$ 99,484	$ 59,005,148
Correction of an error	(99,484)	(99,484)
Fund balance/net position, beginning of year, restated	$ -	$ 58,905,664

2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position." The details of this $ 5,778,398 difference are as follows:

Debt issued or incurred:		
General obligation bonds	$	(5,704,380)
Notes payable - financed purchases		(1,915,926)
Lease obligations payable		(1,105,732)
Principal repayments:		
General obligation bonds		1,356,540
Notes payable - financed purchases		691,600
Lease obligations payable		704,500
Revenue bonds		195,000
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	(5,778,398)

3 - Stewardship, Compliance and Accountability

Budgetary Information

The City is required by State statute to legally adopt annual operating budgets for all funds unless exempted by a specific statute. The City has legally adopted annual budgets for the general fund, the debt service fund, the street and highway fund, the special alcohol and drug fund, the special parks and recreation fund, and the Section 8 fund. Budgets were not prepared for the Community Development Block Grant fund, the capital projects fund, the CDBG TBRA Grants fund, the Demolition fund, the Land Bank fund, the PHA/Presbyterian Church Housing fund, the Northgate CID fund, the revolving loans fund, the Opioid Settlement fund, the RHID Districts fund, the American Rescue Plan fund, the Downtown Restoration fund, and the CDBG Point Forward fund.

The statutes provide for the following sequence and timetable in adoption of budgets:

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

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget is adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing for fiscal year 2025.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. This process requires a notice of public hearing to amend the budget to be published in a local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During 2025, the City amended the budget for the Section 8 Fund.

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. Management has the authority to revise departmental budgets within a fund; however, the City Commission must approve changes to the appropriations at the fund level.

All budgets are prepared utilizing the cash basis further modified by the encumbrance method of accounting – that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures. Any unused budgeted expenditure authority lapses at the end of the year. Encumbered appropriations are not re-appropriated in the ensuing year's budget but are carried forward until liquidated or canceled.

Controls over spending in funds which are not subject to legal budgets are maintained by other statutes or by using internal spending limits established by management.

4 - Budgetary Basis of Accounting

The General Fund and Street and Highway Fund Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual are presented in accordance with the budget basis to provide a meaningful comparison of actual results with the budget. The following reconciliation is presented to provide a correlation between the different bases of accounting for reporting in accordance with GAAP and for reporting on the budget basis:

	General Fund	Street and Highway Fund
Net change in fund balances, GAAP basis	$ (4,337,738)	$ (898,108)
Change in:		
Taxes receivable	245,934	72,191
Grants receivable	-	(1,930)
Interest receivable	(51,249)	-
Lease receivable	677	-
Inventories	16,471	-
Prepaid items	35,793	(109)
Encumbrances	(45,298)	67,058
Retainage payable	-	224,936
Health care payable	15,368	-
Net change in fund balances, non-GAAP basis	$ (4,120,042)	$ (535,962)

A Budget and Actual Statement was not prepared for the revolving loans fund or the American Rescue Plan fund because those funds are not required to have a legally adopted budget.

5 - Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City.

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is included in cash and investments on the balance sheets and statement of net positions. At

December 31, 2025, the City's carrying amount of deposits, including certificates of deposit, was not exposed to custodial credit risk.

The carrying amount of deposits for the Library, a discretely presented component unit, was not exposed to custodial credit risk.

At December 31, 2025, the City's deposit balances were as follows:

	Carrying Amount		
	City	Component Unit - Public Library	Total
Cash and cash equivalents	$ 33,994,481	$ 937,377	$ 34,931,858
Restricted cash and cash equivalents	166,410	-	166,410
	$ 34,160,891	$ 937,377	$ 35,098,268

6 - Loans Receivable

Loans receivable, aggregating $ 1,335,889 at December 31, 2025, consist of economic development and rental rehabilitation low interest loans funded through the U.S. Department of Housing and Urban Development's Community Development Block Grant and Rental Rehabilitation Programs, the Presbyterian Church Fund Program and the City's Revolving Loans Fund.

7 - Leases Receivable

The City entered into an 81-month lease as lessor for the use of Tower 101 N. Locust. An initial lease receivable was recorded in the amount of $ 262,828. As of December 31, 2025, the value of the lease receivable is $ 110,739. The lessee is required to make monthly fixed payments of $ 2,959. The lease has an interest rate of 0.9780%. The value of the deferred inflow of resources as of December 31, 2025 was $ 107,078, and the City recognized lease revenue of $ 38,937 during the fiscal year. The lessee has one extension option for 48 months.

The City entered into a 62-month lease as lessor for the use of Atkinson Airport Hangar - Land. An initial lease receivable was recorded in the amount of $ 12,735. As of December 31, 2025, the value of the lease receivable is $ 2,913. The lessee is required to make monthly fixed payments of $ 209. The lease has an interest rate of 0.6860%. The value of the deferred inflow of resources as of December 31, 2025 was $ 2,875, and the City recognized lease revenue of $ 2,465 during the fiscal year.

The City entered into a 62-month lease as lessor for the use of Atkinson Airport Hangar - Building. An initial lease receivable was recorded in the amount of $ 291,920. As of December 31, 2025, the value of the lease receivable is $ 66,947. The lessee is required to make monthly fixed payments of $ 4,788. The lease has an interest rate of 0.6860%. The value of the deferred inflow of resources as of December 31, 2025 was $ 62,213, and the City recognized lease revenue of $ 57,427 during the fiscal year.

The City entered into a 60-month lease as lessor for use of an antenna collocation. An initial lease receivable was recorded in the amount of $ 72,311. As of December 31, 2025, the value of the lease receivable is $ 19,161. The lessee is required to make monthly fixed payments of $ 1,133. The lease has an interest rate of 0.6860%. The value of the deferred inflow of resources as of December 31, 2025 was $ 18,912 and the City recognized lease revenue of $ 13,350 during the fiscal year.

8 - Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

Primary Government	Balance at 12/31/2024	Increase	Decrease	Transfers	Balance at 12/31/2025
Governmental activities:					
Capital assets, not being depreciated					
Land	$ 4,303,605	$ -	$ -	$ -	$ 4,303,605
Construction in progress	10,040,297	3,887,783	(89,276)	(10,099,082)	3,739,722
Total capital assets not being depreciated	14,343,902	3,887,783	(89,276)	(10,099,082)	8,043,327
Other capital assets:					
Capital assets, being depreciated:					
Building and improvements	39,214,050	977,228	-	155,768	40,347,046
Machinery and equipment	12,416,185	2,468,746	(166,393)	-	14,718,538
Infrastructure	49,419,546	-	-	9,943,314	59,362,860
Total capital assets being depreciated	101,049,781	3,445,974	(166,393)	10,099,082	114,428,444
Less accumulated depreciation for:					
Building and improvements	25,322,072	849,318	-	-	26,171,390
Machinery and equipment	7,736,705	895,627	(166,393)	-	8,465,939
Infrastructure	28,428,276	1,588,831	-	-	30,017,107
Total accumulated depreciation	61,487,053	3,333,776	(166,393)	-	64,654,436
Leased assets being amortized:					
Leased assets - machinery and equipment	4,328,174	1,105,732	(317,774)	-	5,116,132
Less accumulated amortization - machinery and equipment	1,089,564	782,670	(270,073)	-	1,602,161
Total leased assets being amortized, net	3,238,610	323,062	(47,701)	-	3,513,971
Other capital assets, net	42,801,338	435,260	(47,701)	10,099,082	53,287,979
Governmental activities capital assets, net	$ 57,145,240	$ 4,323,043	$ (136,977)	$ -	$ 61,331,306

Primary Government	Balance at 12/31/2024	Increase	Decrease	Transfers	Balance at 12/31/2025
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 582,812	$ -	$ -	$ -	$ 582,812
Construction in progress	3,588,511	24,450,477	-	(897,677)	27,141,311
Total capital assets not being depreciated	4,171,323	24,450,477	-	(897,677)	27,724,123
Capital assets, being depreciated:					
Building and improvements	31,023,827	28,295	-	897,677	31,949,799
Machinery and equipment	8,656,044	855,959	(12,684)	-	9,499,319
Infrastructure	51,439,282	24,174	-	-	51,463,456
Total capital assets being depreciated	91,119,153	908,428	(12,684)	897,677	92,912,574
Less accumulated depreciation for:					
Building and improvements	16,777,541	618,827	-	-	17,396,368
Machinery and equipment	5,610,406	661,496	(12,684)	-	6,259,218
Infrastructure	24,209,679	1,151,569	-	-	25,361,248
Total accumulated depreciation	46,597,626	2,431,892	(12,684)	-	49,016,834
Leased assets being amortized:					
Leased assets - machinery and equipment	540,347	184,335	(221,823)	-	502,859
Less accumulated amortization - machinery and equipment	326,708	113,740	(221,823)	-	218,625
Total leased assets being amortized, net	213,639	70,595	-	-	284,234
Other capital assets, net	44,735,166	(1,452,869)	-	897,677	44,179,974
Business-type activities capital assets, net	$ 48,906,489	$ 22,997,608	$ -	$ -	$ 71,904,097

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:		
General government	$	50,843
Public safety		1,594,813
Public works		1,381,999
Economic development		8,425
Culture and recreation		1,080,366
Total depreciation and amortization expense - governmental activities	$	4,116,446
Business-type activities:		
Water/wastewater	$	2,190,625
Stormwater		219,929
Sanitation		135,078
Total depreciation and amortization expense - business-type activities	$	2,545,632

Capital asset activity for the Public Library component unit for the year ended December 31, 2025 was as follows:

	Balance at 12/31/2024	Increase	Decrease	Balance at 12/31/2025
Capital assets, not being depreciated				
Land	$ 215,415	$ -	$ -	$ 215,415
Total capital assets not being depreciated	215,415	-	-	215,415
Capital assets, being depreciated:				
Building and improvements	3,643,808	-	-	3,643,808
Machinery and equipment	140,720	41,091	(36,408)	145,403
Total capital assets being depreciated	3,784,528	41,091	(36,408)	3,789,211
Less accumulated depreciation for:				
Building and improvements	2,045,287	75,208	-	2,120,495
Machinery and equipment	98,006	38,458	(36,408)	100,056
Total accumulated depreciation	2,143,293	113,666	(36,408)	2,220,551
Total capital assets being depreciated, net	1,641,235	(72,575)	-	1,568,660
Business-type activities capital assets, net	$ 1,856,650	$ (72,575)	$ -	$ 1,784,075

9 - Capital Projects

The City is currently working on paving projects and performing various improvements. These projects are being funded primarily with federal grant monies and by the issuance of bonds.

Following is a summary of costs to December 31, 2025 for capital projects compared to the amount authorized:

	Costs to Date	Amount Authorized
General	$ 3,434,284	$ 8,059,387
Airport projects	196,891	2,408,247
Road and bridge projects	108,546	2,225,943
Wastewater	27,141,311	50,136,830
	$ 30,881,032	$ 62,830,407

10 - Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds payable at December 31, 2025 are comprised of the following issues:

General Obligation Bonds	Interest Rates	Original Issue	Final Maturity Date	Principal Payments During 2025	Outstanding December 31, 2025
Governmental activities:					
Series 2014-A	1.50% to 2.65%	$ 3,398,395	2025	$ 176,540	$ -
Series 2016-A	2.00%	5,000,000	2031	335,000	2,175,000
Series 2019-A	2.30% to 5.00%	2,100,000	2029	215,000	940,000
Series 2022-A	3.00%	3,625,000	2032	335,000	2,670,000
Series 2025-A	4.65% to 5.00%	5,630,000	2035	-	5,630,000
				1,061,540	11,415,000
Business-type activities:					
Series 2014-A	1.50% to 2.65%	1,606,605	2025	83,460	-
Series 2015-A	3.00%	6,370,000	2030	330,000	1,795,000
				413,460	1,795,000
				$ 1,475,000	$ 13,210,000
Special assessment bonds:					
Governmental activities:					
Series 2016-B	2.00% to 3.25%	6,500,000	2037	$ 295,000	$ 4,280,000

The installment ranges for the general obligation bonds are the following:

General Obligation Bonds	Installment Range Low	Installment Range High
Governmental activities:		
Series 2016-A	$ 340,000	$ 385,000
Series 2019-A	220,000	250,000
Series 2022-A	350,000	415,000
Series 2025-A	450,000	700,000
Business-type activities:		
Series 2015-A	335,000	380,000
Special assessment bonds:		
Governmental activities:		
Series 2016-B	305,000	420,000

The future annual requirements for general obligation bonds outstanding as of December 31, 2025 are as follows:

	General Obligation Bonds				Special Assessment Bonds	
Year	Governmental Activities		Business-type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 1,360,000	$ 417,595	$ 335,000	$ 53,850	$ 305,000	$ 121,348
2027	1,415,000	372,735	350,000	43,800	310,000	114,638
2028	1,460,000	325,700	360,000	33,300	320,000	107,508
2029	1,510,000	276,780	370,000	22,500	330,000	99,828
2030	1,300,000	225,705	380,000	11,400	335,000	90,918
2031 - 2035	4,370,000	498,355	-	-	1,850,000	307,202
2036 - 2037	-	-	-	-	830,000	40,625
	$ 11,415,000	$ 2,116,870	$ 1,795,000	$ 164,850	$ 4,280,000	$ 882,067

Construction Loans Payable

During 2010, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow $ 2,508,311 to finance the improvements to the City's wastewater system. The loan will be repaid over twenty years at an interest rate of 2.83%. The outstanding balance of $ 444,954 is shown as a liability in the water/wastewater fund. The future annual debt service requirements for the construction loan payable as of December 31, 2025 are as follows:

Year	Principal	Interest
2026	$ 75,871	$ 10,994
2027	78,033	9,023
2028	80,257	6,995
2029	82,545	4,910
2030	84,897	2,765
2031	43,351	559
	$ 444,954	$ 35,246

During 2006, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow $ 4,447,522 to finance improvements to the wastewater system. The loan will be repaid over twenty years at an interest rate of 2.67%. The outstanding balance of $ 465,356 is shown as a liability in the water/wastewater fund. The future annual debt service requirements for the construction loan payable as of December 31, 2025 are as follows:

Year	Principal	Interest
2026	$ 229,592	$ 9,882
2027	235,764	4,289
	$ 465,356	$ 14,171

The City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Public Water Supply Loan Fund. The agreement enabled the City to borrow $ 554,592 to finance improvements to the water system. The loan will be repaid over twenty years at an interest rate of 2.49%. The outstanding balance of $ 297,545 is shown as a liability in the water/wastewater fund. The future annual debt service requirements for the construction loan payable as of December 31, 2025 are as follows:

Year	Principal	Interest
2026	$ 28,130	$ 6,218
2027	28,834	5,612
2028	29,557	4,991
2029	30,297	4,355
2030	31,057	3,702
2031 - 2035	149,670	8,139
	$ 297,545	$ 33,017

During 2021, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow $ 5,136,830 to finance improvements to the wastewater system. The loan will be repaid over twenty years at an interest rate of 1.30%. As of December 31, 2025, the City has drawn $ 3,927,147 on this loan. The outstanding balance of $ 3,120,365 is shown as a liability in the water/wastewater fund. The debt service requirements to the maturity date will not be determinable until the final draws have been made.

During 2025, the City entered into a loan agreement with the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Fund. The agreement enabled the City to borrow $ 45,000,000 to finance improvements to the wastewater system. The loan will be repaid over twenty years at an interest rate of 2.89%. As of December 31, 2025, the City has drawn $ 14,418,899 on this loan. The outstanding balance of $ 14,418,899 is shown as a liability in the water/wastewater fund. The debt service requirements to the maturity date will not be determinable until the final draws have been made.

Transportation Development District Sales Tax Revenue Bonds

In 2006, the City issued Transportation Development District Sales Tax Revenue bonds in the amount of $ 1,395,000. The proceeds were used to finance the North Broadway – Pittsburg Town Center Project. A sales tax has been imposed on purchases made within the transportation development district. The sales tax collected has been pledged, in the amount of $ 2,359,794, to retire the bonds through the maturity date of April 1, 2027. The percent of the sales tax pledged is 100%.

The 2025 principal and interest for the revenue bonds was $ 201,660 and the pledged revenues recognized for 2025 were $ 176,827. The bonds are considered a special, limited obligation of the City secured by a pledge of the sales tax revenues. The bonds are not a general obligation of the City, nor do they go against the City's debt limit. The bonds were paid in full as of December 31, 2025.

Notes Payable – Financed Purchases

The City entered into various notes payable – financed purchase agreements for the acquisition of certain equipment in the amount of $ 5,705,523. The annual debt service requirements to service the outstanding notes payable – financed purchases at December 31, 2025 are as follows:

	Governmental Activities		Business-type Activities	
Year	Principal	Interest	Principal	Interest
2026	$ 644,088	$ 112,246	$ 233,266	$ 45,336
2027	637,331	85,432	244,034	34,568
2028	356,937	58,989	255,301	23,301
2029	308,918	45,603	110,742	11,512
2030	321,621	32,901	115,605	6,650
2031 - 2033	454,027	28,582	39,845	1,574
	$ 2,722,922	$ 363,753	$ 998,793	$ 122,941

Lease Obligations Payable

The City entered into a 56-month lease as lessee for the use of Toshiba Copiers. An initial lease liability was recorded in the amount of $ 72,732. As of December 31, 2025, the value of the lease liability is $ 12,322. The City is required to make monthly fixed payments of $ 1,373. The lease has an interest rate of 0.686%. The value of the right to use asset as of December 31, 2025 of $ 77,006 with accumulated amortization of $ 65,075 is included with Equipment in the capital asset schedule in Note 8. The City has the option to purchase the equipment for $ 66,425.

The City entered into a 135-month lease as lessee for the use of PSU Indoor Event Facility. An initial lease liability was recorded in the amount of $ 2,100,000. As of December 31, 2025, the value of the lease liability is $ 1,503,821. The City is required to make annual fixed payments of $ 52,601. The lease has an interest rate of 1.751%. The value of the right to use asset as of December 31, 2025 of $ 1,625,905 with accumulated amortization of $ 150,141 is included with Infrastructure in the capital asset schedule in Note 8.

The City entered into a 25-month lease as lessee for the use of LEC I.T. Equipment. An initial lease liability was recorded in the amount of $ 494,607. As of December 31, 2025, the lease liability has been paid in full. The lease has an interest rate of 1.8510%. The value of the right to use asset as of December 31, 2025 of $ 499,182 with accumulated amortization of $ 285,247 is included with Equipment in the capital asset schedule in Note 8.

The City entered into a 28-month lease as lessee for the use of a Front Loader. An initial lease liability was recorded in the amount of $ 61,029. As of December 31, 2025, the lease liability has been paid in full. The City is required to make annual fixed payments of $ 20,818. The lease has an interest rate of 1.8700%. The value of the right to use asset as of December 31, 2025 of $ 61,030 with accumulated amortization of $ 34,875 is included with Equipment in the capital asset schedule in Note 8.

On August 1, 2023, the City entered into a 36 month lease as lessee for the use of Fleet Vehicles. An initial lease liability was recorded in the amount of $ 1,043,824. As of December 31, 2025, the value of the lease liability is $ 291,605. The City is required to make monthly fixed payments of $ 34,481. The lease has an interest rates varying by vehicle ranging from 0.6783% to 0.7392%. The value of the right to use asset as of December 31, 2025 of $ 958,411 with accumulated amortization of $ 691,738 is included with Equipment in the capital asset schedule in note 8.

In 2024, the City entered into various leases with 36 to 60 months lease as lessee for the use of Fleet Vehicles. An initial lease liability was recorded in the amount of $ 1,107,390. As of December 31, 2025, the value of the lease liability is $ 740,353. The City is required to make monthly fixed payments ranging from $ 504 to $ 1,280. The lease has interest rates varying by vehicle ranging from 0.5767% to 0.7100%. The value of the right to use asset as of December 31, 2025 of $ 1,107,390 with accumulated amortization of $ 407,006 is included with Equipment in the capital asset schedule in note 8.

In 2025, the City entered into various leases with 36 to 60 months lease as lessee for the use of Fleet Vehicles. An initial lease liability was recorded in the amount of $ 1,290,067. As of December 31, 2025, the value of the lease liability is $ 1,125,227. The City is required to make monthly fixed payments ranging from $ 504 to $ 1,280. The lease has interest rates varying by vehicle ranging from 0.5917% to 0.6525%. The value of the right to use asset as of December 31, 2025 of $ 1,290,067 with accumulated amortization of $ 186,704 is included with Equipment in the capital asset schedule in note 8.

The annual debt service requirements to service the outstanding lease obligations payable at December 31, 2025 are as follows:

	Governmental Activities		Business-type Activities	
Year	Principal	Interest	Principal	Interest
2026	$ 757,675	$ 193,997	$ 123,275	$ 32,286
2027	554,847	139,154	58,494	14,308
2028	408,192	106,864	48,330	11,701
2029	217,504	69,320	39,836	9,649
2030	72,278	35,179	25,103	6,031
2031 - 2035	148,361	114,645	-	-
2036 - 2040	161,813	101,193	-	-
2041 - 2045	176,484	86,521	-	-
2046 - 2050	192,486	70,519	-	-
2051 - 2055	209,939	53,067	-	-
2056 - 2060	228,974	34,032	-	-
2061 - 2065	249,737	13,270	-	-
	$ 3,378,290	$ 1,017,761	$ 295,038	$ 73,975

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions / Transfers	Deletions / Transfers	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 6,846,540	$ 5,630,000	$ 1,061,540	$ 11,415,000	$ 1,360,000
Plus bond premium	176,782	74,380	36,754	214,408	-
Net general obligation bonds	7,023,322	5,704,380	1,098,294	11,629,408	1,360,000
Special assessment bonds	4,575,000	-	295,000	4,280,000	305,000
Plus bond premium	23,530	-	1,961	21,569	-
Net special assessment bonds	4,598,530	-	296,961	4,301,569	305,000
Transportation development district sales tax revenue bonds - direct borrowing	195,000	-	195,000	-	-
Notes payable - financed purchases - direct borrowing	1,498,596	1,915,926	691,600	2,722,922	644,088
Lease obligations payable - direct borrowing	2,977,058	1,105,732	704,500	3,378,290	757,675
Total OPEB liability	1,356,836	845,337	103,240	2,098,933	6,353
Total OPEB liability - KPERS	90,508	17,241	20,724	87,025	-
Net pension liability	14,676,157	-	100,155	14,576,002	-
Compensated absences	1,302,681	618,937	291,872	1,629,746	434,905
	22,096,836	4,503,173	2,107,091	24,492,918	1,843,021
Governmental activities long-term liabilities	$ 33,718,688	$ 10,207,553	$ 3,502,346	$ 40,423,895	$ 3,508,021

	Beginning Balance	Additions / Transfers	Deletions / Transfers	Ending Balance	Amounts Due Within One Year
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 2,208,460	$ -	$ 413,460	$ 1,795,000	$ 335,000
Plus bond premium	144,802	-	24,134	120,668	-
Net general obligation bonds	2,353,262	-	437,594	1,915,668	335,000
Construction loans payable - direct borrowing	3,748,638	15,587,830	589,349	18,747,119	333,593
Notes payable - financed purchases - direct borrowing	972,706	258,900	232,813	998,793	233,266
Lease obligations payable - direct borrowing	221,980	184,335	111,277	295,038	123,275
Total OPEB liability	291,879	235,610	20,891	506,598	1,485
Total OPEB liability - KPERS	19,469	5,384	3,851	21,002	-
Net pension liability	1,956,748	154,444	-	2,111,192	-
Compensated absences	432,861	91,933	76,376	448,418	76,917
Business-type activity long-term liabilities	$ 9,997,543	$ 16,518,436	$ 1,472,151	$ 25,043,828	$ 1,103,536
Component unit activities:					
Total OPEB liability	$ 76,357	$ 41,233	$ 5,347	$ 112,243	$ 329
Total OPEB liability - KPERS	5,095	975	1,417	4,653	-
Net pension liability	383,956	-	6,781	377,175	-
Compensated absences	49,755	21,287	9,368	61,674	6,256
Component unit activity long-term liabilities	$ 515,163	$ 63,495	$ 22,913	$ 555,745	$ 6,585

For the governmental activities, compensated absences, net pension and net OPEB liabilities are generally liquidated by the general fund.

Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance.

Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2025, Industrial Revenue Bonds outstanding had an aggregate principal amount payable of $ 28,197,913.

11 - Defined Benefit Pension Plan

General Information About the Pension Plan

Description of Pension Plan. The City participates in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement

System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides pension benefits to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
    - State/School employees
    - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City are included in the Local employees group and the Kansas Police and Firemen group.

KPERS issues an annual comprehensive financial report, which is available on the KPERS website at www.kpers.org.

Benefits Provided. Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees (except police and firemen) with ten or more years of credited service may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 points (police and firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan was created for new hires starting January 1, 2015. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

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. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. 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 are determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement groups are funded on an actuarial reserve basis.

For KPERS fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the KPERS fiscal year ended June 30, 2025.

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 KPERS and 24.67% for KP&F for the year ended December 31, 2025. Contributions to the Pension Plan from the City were $ 884,188 for KPERS and $ 1,211,920 for KP&F for the year ended December 31, 2025.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

At December 31, 2025, the City reported a liability of $ 16,687,194 and the Library reported a liability of $ 377,175 for their proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2025, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025.

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the Local group and Police and Firemen group within KPERS for the KPERS fiscal year ended June 30, 2025. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2025 the City's proportion for KPERS was 0.352%, which was a increase of 0.017% from its proportion measured as of June 30, 2024. At June 30, 2025, the City's proportion for KP&F was 0.617%, which was a decrease of 0.004% from its proportion as of June 30, 2024.

For the year ended December 31, 2025, the City recognized pension expense of $ 924,715 for KPERS and $ 1,322,540 for KP&F. The Library's portion of the KPERS pension expense was $ 52,165. At December 31, 2025, the City and the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	City	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,038,096	$ -
Net difference between projected and actual earnings on pension plan investments	-	489,430
Changes in assumptions	409,968	-
Changes in proportionate share	331,912	546,563
Contributions subsequent to measurement date	1,034,426	-
Total	$ 3,814,402	$ 1,035,993

	Library	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 48,603	$ -
Net difference between projected and actual earnings on pension plan investments	-	12,953
Changes in assumptions	13,439	4,564
Changes in proportionate share	9,323	-
Contributions subsequent to measurement date	24,254	-
Total	$ 95,619	$ 17,517

The $ 1,034,426 for the City and the $ 24,254 for the Library reported as deferred outflows of resources related to pensions resulting from the City's and Library's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	City	Library
2026	$ 1,406,184	$ 41,636
2027	207,850	8,942
2028	99,545	2,684
2029	30,404	586
Total	$ 1,743,983	$ 53,848

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75 percent
Salary increases, including price inflation	3.50 to 15.50 percent
Long-term rate of return net of investment expense, and including price inflation	7.00 percent

Mortality rates were based on the Pub 2010 Mortality Tables, with age setbacks and age set forwards based on different membership groups. Future mortality improvements are anticipated using Scale MP-2021.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study which covered the four-year period ending December 31, 2022. The experience study is dated January 29, 2024.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocations as of the most recent experience study, dated January 29, 2024 are summarized in the following table:

Asset Class	Long-Term Target Allocation	Long-Term Expected Rate of Return
Global Equities	43%	8.20%
Private Equities	11%	12.00%
Real Estate	15%	5.70%
Yield Driven	12%	5.30%
Infrastructure	3%	6.80%
Core Fixed Income	13%	2.20%
Short-term Investments	3%	0.30%
Total	100%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993, and subsequent legislation, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in the future. Employers contribute the full actuarial determined rate for KPERS. Future employer contribution rates were also modeled for KP&F assuming all actuarial assumptions are met in the future. Employers contribute the full actuarial determined rate for KP&F. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the City's and the Library's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	City		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
KPERS	$ 9,866,479	$ 6,686,031	$ 4,014,879
KP&F	13,759,325	10,001,163	6,852,399
Total	$ 23,625,804	$ 16,687,194	$ 10,867,278

	Library		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
KPERS	$ 556,592	$ 377,175	$ 226,489

Pension plan fiduciary net position. Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERS financial report.

12 - Other Postemployment Benefits

Health Insurance

The City offers postemployment health and life insurance to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan (the Plan) administered by the City. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The City also provides life insurance benefits to retirees. The life insurance benefits continue for lifetime. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The Plan does not issue a stand-alone financial report.

The City provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the state legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The City requires participating retirees to contribute the same semi-monthly contributions charged to active employees up to age 65 (including the employer and employee share). Retirees contribute 100 percent of their life insurance premiums. The City appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the General Fund. In 2025, the City did not contribute to the Plan.

At December 31, 2025, Plan membership consisted of the following:

Active employees	210
Retirees and covered spouses	5
	215

The total OPEB liability was measured as of December 31, 2025 and was determined by an actuarial valuation as of December 31, 2024. Changes in the total OPEB liability are as follows:

	City	Library	Total
Balance at 1/1/2025	$ 1,648,715	$ 76,357	$ 1,725,072
Service cost	126,405	5,445	131,850
Interest	76,358	3,289	79,647
Benefit payments	7,639	329	7,968
Ad hoc postemployment benefit changes	870,545	32,170	902,715
Changes in assumptions	(73,662)	(3,173)	(76,835)
Differences between expected and actual experience	(50,469)	(2,174)	(52,643)
Balance at 12/31/2025	$ 2,605,531	$ 112,243	$ 2,717,774

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	December 31, 2024
Actuarial cost method	Entry age normal as a level percentage of payroll
Inflation rate	2.50%
Salary increases	3.00%
Discount rate	4.43%
Healthcare cost trend rates	7.25% for 2025, decreasing 0.25% per year to an ultimate rate of 4.50% for 2037 and later years
Current rate	7.25%
Ultimate rate	4.50%
Year ultimate rate is reached	2037

The discount rate was based on an index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the PUB 2010 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2021.

Changes and items of impact relative from the beginning to the end of year measurement were as follows:

1. Discount rate was increased from 4.28% to 4.43% per changes in the 20-year tax-exempt general obligation municipal bond yield.
2. Annual payroll growth rate increased from 2.75% to 3.00% per the latest KPERS/KPF assumption update.
3. Increased immediate medical trend rate from 7.00% to 7.25% per industry surveys and expectations.
4. Percentage of future retirees assumed to be married was decreased from 85% to 80% for police and fire and to 70% for all.
5. Police & fire mortality, termination, and disability rates were updated per the latest KPF assumption update.
6. For all others, mortality and disability rates were updated per the latest KPF assumption update.
7. The City changed retiree contributions to match the semi-monthly contributions charged to active employees, rather than the previous retiree contributions that were approximately 85% of the gross COBRA premium.

The following presents the total OPEB liability of the City and the Library, as well as what their total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (3.43%)	Discount Rate (4.43%)	1% Increase (5.43%)
Total OPEB liability - City	$ 2,938,733	$ 2,605,531	$ 2,351,592
Total OPEB liability - Library	126,598	112,243	101,305

The following represents the total OPEB liability of the City and the Library as well as what their total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability - City	$ 2,256,081	$ 2,605,531	$ 3,079,991
Total OPEB liability - Library	97,190	112,243	132,683

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the City recognized OPEB expense of $ 1,015,531. At December 31, 2025, the City and the Library reported deferred outflows and inflows of resources related to OPEB from the following sources:

	City		Library	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 367,831	$ 205,452	$ 15,845	$ 8,851
Differences between expected and actual experience	-	403,955	-	17,402
	$ 367,831	$ 609,407	$ 15,845	$ 26,253

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	City	Library
2026	$ (94,605)	$ (4,076)
2027	(95,002)	(4,093)
2028	(60,483)	(2,606)
2029	(26,286)	(1,132)
2030	(7,350)	(317)
Thereafter	42,150	1,816
Total	$ (241,576)	$ (10,408)

Disability Benefits and Life Insurance

The City and the Library participate in a single-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2025 totaled $ 0.

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66⅔ percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of $ 100 and a maximum of $ 5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

As of the valuation date of December 31, 2024, the following employees were covered by the benefit terms.

Active employees	161
Disabled members	-
	161

The total OPEB liability was measured as of June 30, 2025 and was determined by an actuarial valuation performed as of December 31, 2024.

	City	Library	Total
Balance at 1/1/2025	$ 109,977	$ 5,095	$ 115,072
Service cost	17,599	758	18,357
Interest	5,026	217	5,243
Effect of economic/demographic gains or losses	(18,375)	(792)	(19,167)
Changes of assumptions/methodology	(6,200)	(625)	(6,825)
Balance at 12/31/2025	$ 108,027	$ 4,653	$ 112,680

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	December 31, 2024
Actuarial cost method	Entry age normal as a level percentage of payroll
Inflation rate	2.75%
Salary increases	2.75%
Payroll growth	3.00%
Discount rate	5.20%
Mortality rates	Local Males: General Below Median Employees +0 Local Females: General Below Median Employees +1 Generational mortality improvements were projected for future years using MP-2021

The discount rate was based on the Bond Buyer General Obligation 20-Year Municipal Index.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2019 through December 31, 2022.

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was updated in accordance with the requirements of GASB 75.

The overall impact of the new assumptions is a decrease in the benefit obligations.

The following presents the total OPEB liability of the City and Library, as well as what the City and Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20 percent) or 1-percentage-point higher (6.20 percent) than the current discount rate:

	City		
	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability - City	$ 112,833	$ 108,027	$ 102,464
Total OPEB liability - Library	5,235	4,653	4,754

The following represents the total OPEB liability of the City and Library as well as what the City and Library's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability - City	$ 108,027	$ 108,027	$ 108,027
Total OPEB liability - Library	4,653	4,653	4,653

For the year ended December 31, 2025, the City recognized OPEB expense of $ 1. At December 31, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	City		Library	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 96,723	$ -	$ 4,167
Changes in assumptions	6,143	29,197	265	1,259
	$ 6,143	$ 125,920	$ 265	$ 5,426

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	City	Library
2026	$ (22,485)	$ (969)
2027	(21,355)	(920)
2028	(18,847)	(812)
2029	(16,922)	(729)
2030	(15,440)	(665)
Thereafter	(24,728)	(1,066)
Total	$ (119,777)	$ (5,161)

Aggregate Other Postemployment Healthcare Benefit Information

The aggregate amount of OPEB expenses for the two OPEB plans for the year ended December 31, 2025 was $ 112,817 for the City.

	Balances at December 31, 2025		
	Health Insurance	Disability Benefits and Life Insurance	Total
City:			
Total OPEB liability	$ 2,605,531	$ 108,027	$ 2,713,558
Total deferred outflows of resources	367,831	6,143	373,974
Total deferred inflows of resources	609,407	125,920	735,327
Library:			
Total OPEB liability	112,243	4,653	116,896
Total deferred outflows of resources	15,845	265	16,110
Total deferred inflows of resources	26,253	5,426	31,679

13 - Risk Management

The City is exposed to various risks of loss related to torts; that is, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in claims from prior years.

Group Hospitalization. The City maintains a partially self-funded health insurance plan covering substantially all full-time employees. A monthly premium is paid to an insurance company for individual and aggregate stop-loss coverage and includes an amount for administrative costs. The maximum liability of the City for each individual covered is $ 75,000 per plan year. Any claims paid in excess of this amount will be reimbursed to the City by the insurance company at the end of the plan year. The transactions of the health insurance plan are accounted for in the Group Hospitalization department in the General Fund and are subsequently allocated to various departments and/or funds. The rates are based on past historical costs for individual and family coverage and expected future claims. The claims liability of $ 71,669 reported at December 31, 2025 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The changes in health care claims payable for the years ended December 31, 2025 and 2024 are as follows:

	2025	2024
Unpaid claims, January 1	$ 56,301	$ 4,706
Incurred claims (including IBNRs)	2,469,547	1,888,303
Claim payments	(2,454,179)	(1,836,708)
Unpaid claims, December 31	$ 71,669	$ 56,301

14 - Interfund Activity

Interfund transfers reflect the flow of resources from one fund to another fund, generally from the fund in which the resources are received or reside to the fund in which the resources will be expended. Interfund transfers for the year ended December 31, 2025, consisted of the following:

Fund	Transfers In	Transfers Out
Major governmental funds:		
General	$ 1,600,000	$ 1,376,038
Capital projects	1,082,038	122,501
Street and highway	590,000	1,000,000
Debt service fund	122,501	-
Nonmajor governmental funds	204,000	-
Major proprietary funds:		
Water/wastewater	-	1,600,000
Property and sanitation	500,000	-
	$ 4,098,539	$ 4,098,539

Transfers are used to (1) move revenues from the fund that statutes or the budget requires to collect them to the fund that statutes or the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) eliminate negative cash balances in the payable funds due to project payment timing.

At December 31, 2025, due to/from other funds were recorded as a result of elimination of negative cash balances caused by project timing. Due to/from balances consisted of the following:

Fund	Due To	Due From
Major governmental funds:		
General	$ -	$ 67,717
Nonmajor governmental funds	44,356	-
Major proprietary funds:		
Property and Sanitation fund	23,361	-
	$ 67,717	$ 67,717

15 - Commitments and Contingencies - Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. At December 31, 2025, the City's encumbrances were recorded as follows:

General fund	$ 86,611
Street and highway fund	67,058
Capital projects fund	273,083
Revolving loan fund	5,412,670
American rescue plan fund	186,050
Water/wastewater fund	483,869
Stormwater fund	27,125
Property and sanitation fund	46,487
Total encumbrances	$ 6,582,953

16 - Contingencies

The City is involved in various lawsuits incurred through normal operations. It is the opinion of the City's management that the outcome of this litigation will not result in a material loss to the City in excess of applicable insurance coverage.

17 - Tax Abatements

The City negotiates property tax abatement agreements on an individual basis. The City has tax abatement agreements with seven entities as of December 31, 2025:

Entity	Amount of Taxes Abated During the Fiscal Year
Millers, Inc.	$ 67,314
E & J Investments, LLC	19,660
La Quinta Inn & Suites	74,899
Kendall Packaging Corporation	35,932
Atkinson Industries, Inc.	5,479
Rallison, LP (Progressive Products)	19,688
Muth Properties LLC (Heritage Tractor)	38,657
Total	$ 261,629

The Millers, Inc., E & J Investments, LLC, and Atkinson Industries, Inc. agreements have been negotiated under Section 13 of Article 11 of the Kansas Constitution, which specifies that the property for which the exemption is granted will be used for manufacturing articles of commerce, conducting research and development or storing goods or commodities which are sold or traded in interstate commerce. The exemption may be granted for a maximum of ten years. The City's Tax Exemption and Incentives for Economic Development Policy governs the issuance of tax exemptions within the City and dictates the following procedures: 1) The applicant shall apply for a tax exemption by filing a written application, 2) The City shall then determine whether the requested tax exemption may be lawfully granted and should be granted, 3) If it is determined that some tax exemption should be granted, a 100% exemption of the property of the business legally eligible for the exemption shall be provided, 4) The amount of the tax incentive, which will be an amount less than the taxes otherwise payable if the property were not exempt, will then be determined in accordance with the policy, and 5) Upon the failure of the business to fully and timely pay the in lieu tax payments, as may be required as a condition of granting of an exemption, or to provide reports or other information requested by the City and reasonably necessary for the implementation of the policy, the City may either deny, revoke, or not renew the authorization of such an exemption. All requests for a tax exemption for economic development purposes shall be considered and acted upon in accordance with the City's Tax Exemption and Incentives for Economic Development Policy.

The La Quinta Inn & Suites, Kendall Packaging Corporation, Rallison, LP (Progressive Products), and Muth Properties, LLC (Heritage Tractor) agreements have been negotiated under K.S.A. 12-1740 et seq, which authorizes the City to issue industrial revenue bonds to pay for the costs of facilities used for commercial, industrial and manufacturing purposes. The City must prepare an analysis of the costs and benefits of each exemption and conduct a public hearing on the granting of such exemption. The notice of public hearing must be published at least seven days prior to the hearing in the official City newspaper.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities. The City has chosen to disclose information about its tax abatement agreements individually.

18 - Subsequent Events

On June 25, 2026, the City issued $ 6,095,000 in Series 2026-A General Obligation Bonds. Principal maturities ranging from $ 485,000 to $ 745,000 are due through September 1, 2036. The interest rate ranges from 4.00% to 5.00%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PITTSBURG, KANSAS
Schedule of the City's Proportionate Share of the Net Pension Liability
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
City's proportion of the collective net position liability:					
KPERS	0.352%	0.335%	0.340%	0.345%	0.342%
KP&F	0.617%	0.621%	0.608%	0.700%	0.700%
City's proportionate share of the collective net pension liability	$ 16,687,194	$ 17,016,861	$ 16,861,594	$ 16,955,087	$ 10,788,007
City's covered payroll	$ 13,327,802	$ 12,098,759	$ 11,339,232	$ 10,836,008	$ 10,306,272
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	125%	141%	149%	156%	105%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	72.75%	70.70%	69.75%	76.40%

	2020	2019	2018	2017	2016
City's proportion of the collective net position liability:					
KPERS	0.351%	0.353%	0.352%	0.357%	0.349%
KP&F	0.737%	0.750%	0.777%	0.819%	0.822%
City's proportionate share of the collective net pension liability	$ 15,172,209	$ 12,527,470	$ 12,387,128	$ 12,849,413	$ 13,043,469
City's covered payroll	$ 10,580,091	$ 10,518,770	$ 10,127,727	$ 9,954,433	$ 10,133,030
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	143%	119%	122%	129%	129%
Plan fiduciary net position as a percentage of the total pension liability	66.30%	69.88%	68.88%	67.12%	65.10%

CITY OF PITTSBURG, KANSAS
Schedule of the City's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
KPERS contractually required contribution	$ 884,188	$ 749,144	$ 645,643	$ 630,242	$ 573,389
KP&F contractually required contribution	1,211,920	1,055,435	978,451	954,576	903,465
Contributions in relation to the contractually required contribution	(2,096,108)	(1,804,579)	(1,624,094)	(1,584,818)	(1,476,854)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 13,801,625	$ 12,596,628	$ 11,806,620	$ 11,233,650	$ 10,425,041
Contributions as a percentage of covered payroll	15.19%	14.33%	13.76%	14.11%	14.17%

	2020	2019	2018	2017	2016
KPERS contractually required contribution	$ 552,871	$ 586,773	$ 533,338	$ 525,818	$ 552,205
KP&F contractually required contribution	861,851	911,891	795,471	744,524	893,395
Contributions in relation to the contractually required contribution	(1,414,722)	(1,498,664)	(1,328,809)	(1,270,342)	(1,445,600)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 10,351,298	$ 10,720,980	$ 10,316,358	$ 10,127,727	$ 9,954,433
Contributions as a percentage of covered payroll	13.67%	13.98%	12.88%	12.54%	14.52%

CITY OF PITTSBURG, KANSAS
Schedule of Changes in the City's Total
OPEB Liability and Related Ratios
Last Nine Fiscal Years[1]

	2025	2024	2023	2022
Total OPEB liability:				
Service cost	$ 131,850	$ 76,434	$ 69,618	$ 100,221
Interest	79,647	51,411	48,920	32,774
Benefit paid	7,968	3,430	4,945	(93,765)
Ad hoc postemployment benefit changes	902,715	-	-	-
Difference between expected and actual experience	(76,835)	(46,526)	(20,070)	(199,008)
Changes in assumptions	(52,643)	433,200	40,792	(180,607)
Net change in total OPEB liability	992,702	517,949	144,205	(340,385)
Total OPEB liability--beginning	1,725,072	1,207,123	1,062,918	1,403,303
Total OPEB liability--ending	$ 2,717,774	$ 1,725,072	$ 1,207,123	$ 1,062,918
Covered-employee payroll	$ 11,140,430	$ 10,815,951	$ 11,086,142	$ 8,900,793
City's total OPEB liability as a percentage of covered-employee payroll	24.40%	15.95%	10.89%	11.94%

	2021	2020	2019	2018	2017
Total OPEB liability:					
Service cost	$ 104,227	$ 93,475	$ 89,327	$ 119,636	$ 101,402
Interest	28,401	52,541	55,069	58,337	61,974
Benefit paid	(17,502)	4,781	(104,260)	(64,261)	(108,229)
Ad hoc postemployment benefit changes	-	-	-	-	-
Difference between expected and actual experience	(37,569)	(342,415)	(327,940)	-	-
Changes in assumptions	(50,300)	51,831	(100,181)	5,856	-
Net change in total OPEB liability	27,257	(139,787)	(387,985)	119,568	55,147
Total OPEB liability--beginning	1,376,046	1,515,833	1,903,818	1,784,250	1,729,103
Total OPEB liability--ending	$ 1,403,303	$ 1,376,046	$ 1,515,833	$ 1,903,818	$ 1,784,250
Covered-employee payroll	$ 8,128,198	$ 8,493,758	$ 8,468,953	$ 8,812,378	$ 8,812,378
City's total OPEB liability as a percentage of covered-employee payroll	17.26%	16.20%	17.90%	21.60%	20.25%

[1]GASB 75 requires presentation of 10 years. Data was not available prior to fiscal year 2017.

Note: No assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

CITY OF PITTSBURG, KANSAS
Schedule of Changes in the City's Total
OPEB Liability and Related Ratios - KPERS
Last Eight Fiscal Years[1]

	2025	2024	2023	2022
Total OPEB liability:				
Service cost	$ 18,357	$ 17,839	$ 16,018	$ 25,947
Interest	5,243	4,640	4,072	3,663
Difference between expected and actual experience	(19,167)	(18,557)	(9,274)	(35,529)
Changes in assumptions	(6,825)	1,849	(537)	(38,708)
Net change in total OPEB liability	(2,392)	5,771	10,279	(44,627)
Total OPEB liability, beginning	115,072	109,301	99,022	143,649
Total OPEB liability, ending	$ 112,680	$ 115,072	$ 109,301	$ 99,022
Covered-employee payroll	$ 7,958,921	$ 7,272,202	$ 6,926,497	$ 6,243,067
Total OPEB liability as a percentage of covered-employee payroll	1.42%	1.58%	1.58%	1.59%

	2021	2020	2019	2018
Total OPEB liability:				
Service cost	$ 27,850	$ 24,409	$ 22,769	$ 22,566
Interest	3,874	5,567	5,920	5,444
Difference between expected and actual experience	(35,780)	(27,857)	(26,366)	(25,504)
Changes in assumptions	252	10,671	2,140	(1,799)
Net change in total OPEB liability	(3,804)	12,790	4,463	707
Total OPEB liability, beginning	147,453	134,663	130,200	129,493
Total OPEB liability, ending	$ 143,649	$ 147,453	$ 134,663	$ 130,200
Covered-employee payroll	$ 6,108,792	$ 6,437,606	$ 6,228,174	$ 6,077,814
Total OPEB liability as a percentage of covered-employee payroll	2.35%	2.29%	2.16%	2.14%

[1]GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2018. Therefore, 10 years of data is unavailable.

Note: No assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

OTHER SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES

GOVERNMENTAL FUNDS DESCRIPTIONS

NONMAJOR SPECIAL REVENUE FUNDS

The primary purpose of the Special Revenue Funds is to account for and report the proceeds of specific sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following nonmajor Special Revenue Funds are reported:

Special Parks and Recreation Fund – to account for park and recreation programs and activities. Financing is through the State of Kansas's 10% tax on the sale of liquor. One-third of the liquor tax proceeds is returned to the cities in which the tax is collected to be used to finance park and recreation programs and activities.

Special Alcohol and Drug Fund – to account for alcohol and drug rehabilitation programs. Financing is through the State of Kansas's 10% tax on the sale of liquor. One-third of the liquor tax proceeds is returned to the cities in which the tax is collected to be used to finance alcohol and drug rehabilitation programs.

PHA/Presbyterian Church Housing Fund – to account for funds which must be used to promote the expansion of the supply of low- and moderate-income housing in the City and in Crawford County, Kansas.

Section 8 Fund – to account for federal grants under the Department of Housing and Urban Development (HUD) Program.

Community Development Block Grant Fund – to account for federal grants under the HUD Community Development Block Grant Program (CDBGP).

CDBG TBRA Grants Fund – to account for a grant funded through the State of Kansas Housing Resource Corporation for the purpose of providing supportive assistance to the homeless and/or at risk of becoming homeless in the Pittsburg community.

Demolition Fund – to account for funds set aside to assist with the demolition of dilapidated or unsafe structures within the City.

Land Bank Fund – to account for the sale of vacant property owned by the City while eliminating the liabilities imposed on the City by vacant, dilapidated, or abandoned parcels.

Northgate Community Improvement District (CID) Fund – to account for the special CID sales tax of 0.9% on retail sales made at the Northgate Plaza retail area. The CID sales tax is remitted to the City by the State of Kansas and the City then remits these funds to the developer upon receipt of expenditures for improvements specified in the CID project document.

Opioid Settlement Fund – to account for opioid settlement monies distributed by the State of Kanas to address public health needs related to addiction.

RHID Districts Fund – to account for funds set aside for development of housing infrastructure and renovations with rural communities.

Downtown Restoration Fund – to account for funds which must be used to restore buildings in the downtown district.

CDBG Point Forward Fund – to account for point forward used to renovate a school into a child care facility.

CITY OF PITTSBURG, KANSAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue				
	Special Parks and Recreation	Special Alcohol and Drug	PHA/ Presbyterian Church Housing	Section 8	Community Development Block Grant
ASSETS					
Cash and cash equivalents	$ 145,649	$ 173,600	$ 607,205	$ 118,715	$ 62,485
Receivables (net of allowance for uncollectibles):					
Taxes	-	-	-	-	-
Accounts	-	-	67,741	-	-
Total assets	$ 145,649	$ 173,600	$ 674,946	$ 118,715	$ 62,485
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ 395	$ 255	$ 13,246	$ -
Accrued payroll	-	121	-	7,490	-
Unearned revenue	-	-	-	-	50,111
Due to other funds	-	-	-	-	-
Other	-	-	-	-	-
Total liabilities	-	516	255	20,736	50,111
Fund balances:					
Restricted:					
Housing	-	-	674,691	97,979	12,374
Other	145,649	173,084	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	145,649	173,084	674,691	97,979	12,374
Total liabilities and fund balances	$ 145,649	$ 173,600	$ 674,946	$ 118,715	$ 62,485

(Continued)

CITY OF PITTSBURG, KANSAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
(Continued)
December 31, 2025

	Special Revenue				
	CDBG TBRA Grants	Demolition	Land Bank	Northgate CID	Opioid Settlement
ASSETS					
Cash and cash equivalents	$ 31,897	$ 137	$ 53,307	$ -	$ 134,001
Receivables (net of allowance for uncollectibles):					
Taxes	-	-	-	52,985	-
Accounts	-	-	-	-	-
Total assets	$ 31,897	$ 137	$ 53,307	$ 52,985	$ 134,001
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 3,271	$ -	$ -	$ -	$ -
Accrued payroll	-	-	-	-	-
Unearned revenue	28,626	-	-	-	-
Due to other funds	-	-	-	36,604	-
Other	-	-	-	13,670	-
Total liabilities	31,897	-	-	50,274	-
Fund balances:					
Restricted:					
Housing	-	-	-	-	-
Other	-	137	53,307	2,711	134,001
Unassigned	-	-	-	-	-
Total fund balances	-	137	53,307	2,711	134,001
Total liabilities and fund balances	$ 31,897	$ 137	$ 53,307	$ 52,985	$ 134,001

(Continued)

CITY OF PITTSBURG, KANSAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
(Continued)
December 31, 2025

	Special Revenue			
	RHID Districts	Downtown Restoration	CDBG Point Forward	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 45,146	$ 152,776	$ -	$ 1,524,918
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	-	52,985
Accounts	-	-	-	67,741
Total assets	$ 45,146	$ 152,776	$ -	$ 1,645,644
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 45,146	$ -	$ -	$ 62,313
Accrued payroll	-	-	-	7,611
Unearned revenue	-	-	-	78,737
Due to other funds	-	-	7,752	44,356
Other	-	-	-	13,670
Total liabilities	45,146	-	7,752	206,687
Fund balances:				
Restricted:				
Housing	-	-	-	785,044
Other	-	152,776	-	661,665
Unassigned	-	-	(7,752)	(7,752)
Total fund balances	-	152,776	(7,752)	1,438,957
Total liabilities and fund balances	$ 45,146	$ 152,776	$ -	$ 1,645,644

CITY OF PITTSBURG, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	Special Revenue				
	Special Parks and Recreation	Special Alcohol and Drug	PHA/ Presbyterian Church Housing	Section 8	Community Development Block Grant
Revenues:					
Intergovernmental	$ 125,017	$ 125,017	$ -	$ 1,931,267	$ 73,309
Sales tax	-	-	-	-	-
Investment earnings	-	-	23,099	1,657	-
Miscellaneous	-	-	270	2,854	-
Total revenues	125,017	125,017	23,369	1,935,778	73,309
Expenditures:					
Current:					
Sanitation and health	-	121,807	-	-	-
Economic development	-	-	-	-	73,310
Social welfare	-	-	34,450	2,038,976	-
Capital outlay	6,196	-	-	-	-
Total expenditures	6,196	121,807	34,450	2,038,976	73,310
Excess (deficiency) of revenues over (under) expenditures	118,821	3,210	(11,081)	(103,198)	(1)
Other financing sources:					
Transfers in	-	-	-	200,000	-
Net change in fund balances	118,821	3,210	(11,081)	96,802	(1)
Fund balances, beginning of year	26,828	169,874	685,772	1,177	12,375
Correction of an error	-	-	-	-	-
Fund balances, beginning of year, restated	26,828	169,874	685,772	1,177	12,375
Fund balances, end of year	$ 145,649	$ 173,084	$ 674,691	$ 97,979	$ 12,374

(Continued)

CITY OF PITTSBURG, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
Year Ended December 31, 2025

	Special Revenue				
	CDBG TBRA Grants	Demolition	Land Bank	Northgate CID	Opioid Settlement
Revenues:					
Intergovernmental	$ 81,361	$ -	$ -	$ -	$ 35,970
Sales tax	-	-	-	959	-
Investment earnings	-	1	1,944	-	-
Miscellaneous	-	-	17,728	-	-
Total revenues	81,361	1	19,672	959	35,970
Expenditures:					
Current:					
Sanitation and health	-	-	-	-	24,677
Economic development	-	-	11,812	-	-
Social welfare	81,361	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	81,361	-	11,812	-	24,677
Excess (deficiency) of revenues over (under) expenditures	-	1	7,860	959	11,293
Other financing sources:					
Transfers in	-	4,000	-	-	-
Net change in fund balances	-	4,001	7,860	959	11,293
Fund balances, beginning of year	-	(3,864)	45,447	1,752	122,708
Correction of an error	-	-	-	-	-
Fund balances, beginning of year, restated	-	(3,864)	45,447	1,752	122,708
Fund balances, end of year	$ -	$ 137	$ 53,307	$ 2,711	$ 134,001

(Continued)

CITY OF PITTSBURG, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
(Continued)
Year Ended December 31, 2025

	Special Revenue			
	RHID Districts	Downtown Restoration	CDBG Point Forward	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental	$ -	$ -	$ 610,710	$ 2,982,651
Sales tax	-	-	-	959
Investment earnings	-	-	-	26,701
Miscellaneous	-	110,000	-	130,852
Total revenues	-	110,000	610,710	3,141,163
Expenditures:				
Current:				
Sanitation and health	-	-	-	146,484
Economic development	-	-	-	85,122
Social welfare	-	-	610,510	2,765,297
Capital outlay	-	107,224	-	113,420
Total expenditures	-	107,224	610,510	3,110,323
Excess (deficiency) of revenues over (under) expenditures	-	2,776	200	30,840
Other financing sources:				
Transfers in	-	-	-	204,000
Net change in fund balances	-	2,776	200	234,840
Fund balances, beginning of year	99,484	150,000	(7,952)	1,303,601
Correction of an error	(99,484)	-	-	(99,484)
Fund balances, beginning of year, restated	-	150,000	(7,952)	1,204,117
Fund balances, end of year	$ -	$ 152,776	$ (7,752)	$ 1,438,957

CITY OF PITTSBURG, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - NON-GAAP BASIS
SPECIAL PARKS AND RECREATION FUND
Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	$ 143,000	$ 143,000	$ 125,017	$ (17,983)
Expenditures:				
Capital outlay	-	-	6,196	(6,196)
Excess of revenues over expenditures	143,000	143,000	118,821	(24,179)
Other financing uses:				
Transfer out	143,000	143,000	-	143,000
Net change in fund balance	-	-	118,821	118,821
Fund balance, beginning of year	-	-	26,828	26,828
Fund balance, end of year	$ -	$ -	$ 145,649	$ 145,649

CITY OF PITTSBURG, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - NON-GAAP BASIS
SPECIAL ALCOHOL AND DRUG FUND
Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts Budgetary	Variance With Final
	Original	Final	Basis	Budget
Revenues:				
Intergovernmental	$ 143,000	$ 143,000	$ 125,017	$ (17,983)
Total revenues	143,000	143,000	125,017	(17,983)
Expenditures:				
Administration	110,000	110,000	97,611	12,389
Police D.A.R.E.	33,000	33,000	24,196	8,804
Operating reserves	126,563	126,563	-	126,563
Total expenditures	269,563	269,563	121,807	147,756
Net change in fund balance	(126,563)	(126,563)	3,210	129,773
Fund balance, beginning of year	126,563	126,563	169,995	43,432
Fund balance, end of year	$ -	$ -	$ 173,205	$ 173,205

CITY OF PITTSBURG, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - NON-GAAP BASIS
SECTION 8 FUND
Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	$ 1,875,110	$ 2,146,410	$ 1,931,267	$ (215,143)
Investment earnings	200	200	1,657	1,457
Miscellaneous	-	3,500	2,854	(646)
Total revenues	1,875,310	2,150,110	1,935,778	(214,332)
Expenditures:				
Personnel services	204,020	204,020	211,763	(7,743)
Contractual services	1,767,470	1,935,955	1,817,497	118,458
Commodities	10,135	10,135	9,089	1,046
Capital outlay	-	-	628	(628)
Operating reserves	30,524	-	-	-
Total expenditures	2,012,149	2,150,110	2,038,977	111,133
Deficiency of revenues under expenditures	(136,839)	-	(103,199)	(103,199)
Other financing sources:				
Transfers in	-	-	200,000	200,000
Net change in fund balance	(136,839)	-	96,801	96,801
Fund balance, beginning of year	136,839	-	86,998	86,998
Fund balance, end of year	$ -	$ -	$ 280,600	$ 280,600

CITY OF PITTSBURG, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - NON-GAAP BASIS
DEBT SERVICE FUND
Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	$ 1,481,497	$ 1,481,497	$ 1,416,012	$ (65,485)
Special assessments	449,000	449,000	447,543	(1,457)
Investment earnings	1,500	1,500	145,842	144,342
Total revenues	1,931,997	1,931,997	2,009,397	77,400
Expenditures:				
Principal	2,457,200	2,457,200	2,359,348	97,852
Interest	488,000	488,000	560,021	(72,021)
Operating reserves	2,139,278	2,139,278	-	2,139,278
Total expenditures	5,084,478	5,084,478	2,919,369	2,165,109
Excess (deficiency) of revenues over (under) expenditures	(3,152,481)	(3,152,481)	(909,972)	2,242,509
Other financing sources:				
Transfers in	1,254,599	1,254,599	1,258,220	3,621
Net change in fund balance	(1,897,882)	(1,897,882)	348,248	2,246,130
Fund balance, beginning of year	1,897,882	1,897,882	1,793,713	(104,169)
Fund balance, end of year	$ -	$ -	$ 2,141,961	$ 2,141,961

CITY OF PITTSBURG, KANSAS
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
December 31, 2025

ASSETS		
Cash and cash equivalents	$	937,377
Taxes receivable		1,011,435
Prepaid items		2,308
Total assets	$	1,951,120
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable	$	1,498
Accrued payroll		25,849
Total liabilities		27,347
Deferred inflows of resources:		
Deferred inflow - property taxes		1,011,435
Fund balances:		
Nonspendable:		
Prepaid items		2,308
Assigned		910,030
Total fund balances		912,338
Total liabilities, deferred inflows of resources and fund balances	$	1,951,120

CITY OF PITTSBURG, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNIT
Year Ended December 31, 2025

Revenues:	
Taxes	$ 1,074,713
Fines and fees	2,987
Investment earnings	31,646
Miscellaneous	164,301
Total revenues	1,273,647
Expenditures:	
Current:	
Education	1,191,788
Net change in fund balances	81,859
Fund balances, beginning of year	830,479
Fund balances, end of year	$ 912,338

CITY OF PITTSBURG, KANSAS
SCHEDULE OF FINANCIAL DATA - ASSETS AND LIABILITIES - PITTSBURG HOUSING AUTHORITY
December 31, 2025

Line Item	Account Description	Section 8 Housing Choice Voucher Program 14.871	EHV Cares Act Funding 14.EHV	Total
	Assets:			
	Current assets:			
	Cash:			
113	Cash - other restricted	$ 17,359	$ 101,356	$ 118,715
100	Total cash	17,359	101,356	118,715
150	Total current assets	17,359	101,356	118,715
	Noncurrent assets:			
	Capital assets:			
161	Land	1,000	-	1,000
164	Furniture, equipment & machinery - administration	30,666	-	30,666
166	Accumulated depreciation	(30,666)	-	(30,666)
160	Total capital assets, net of accumulated depreciation	1,000	-	1,000
180	Total non-current assets	1,000	-	1,000
290	Total assets and deferred outflow of resources	$ 18,359	$ 101,356	$ 119,715
	Liabilities and net assets:			
	Liabilities:			
	Current liabilities:			
312	Accounts payable <= 90 days	$ 13,246	$ -	$ 13,246
321	Accrued wage/payroll taxes payable	7,490	-	7,490
310	Total current liabilities	20,736	-	20,736
300	Total liabilities	20,736	-	20,736
	Net position:			
508.4	Invested in capital assets	1,000	-	1,000
511.4	Restricted net position	-	101,356	101,356
512.4	Unrestricted net position	(3,377)	-	(3,377)
513	Total net position	(2,377)	101,356	98,979
600	Total liabilities and net position	$ 18,359	$ 101,356	$ 119,715

CITY OF PITTSBURG, KANSAS
SCHEDULE OF FINANCIAL DATA - REVENUES AND EXPENSES -
PITTSBURG HOUSING AUTHORITY
Year Ended December 31, 2025

Line Item	Account Description	Section 8 Housing Choice Voucher Program 14.871	EHV Cares Act Funding 14.EHV	Total
	Revenues:			
70600-010	HUD PHA grants	$ 1,873,391	$ 57,876	$ 1,931,267
71100	Investment income - unrestricted	1,657	-	1,657
71400-010	Fraud recovery - housing assistance payment	5,546	-	5,546
70000	Total revenues	1,880,594	57,876	1,938,470
	Expenses:			
	Administrative:			
91100	Administrative salaries	167,133	-	167,133
91400	Advertising and marketing	(3)	-	(3)
91500	Employee benefit contributions - administrative	44,525	-	44,525
91600	Office expenses	17,739	-	17,739
91800	Travel	1,570	-	1,570
91900	Other	31,547	-	31,547
	Ordinary maintenance and operation:			
94200	Materials and other	5,159	-	5,159
	Insurance Premiums			
96130	Workmen's compensation	105	-	105
	General expenses:			
96200	Other general expenses	1,480	-	1,480
96900	Total operating expenses	269,255	-	269,255
97000	Excess operating revenue over operating expenses	1,611,339	57,876	1,669,215
97300	Housing assistance payments	1,725,020	47,393	1,772,413
90000	Total expenses	1,994,275	47,393	2,041,668
10010	Operating transfer in	200,000	-	200,000
10100	Total other financing sources (uses)	200,000	-	200,000
10000	Excess of total expenses over total revenue	$ 86,319	$ 10,483	$ 96,802
Memo account information:				
11030	Beginning equity	$ (88,696)	$ 90,873	$ 2,177
11190	Unit months available	3,555	154	
11210	Number of unit months leased	3,555	154	

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Pittsburg, Kansas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	$ 36,171,156	$ 32,140,844	$ 33,767,698	$ 32,858,544	$ 33,645,157
Restricted	3,485,786	4,048,669	4,609,440	13,327,692	13,608,484
Unrestricted	(587,544)	(1,428,617)	(1,848,201)	(561,335)	724,778
Total governmental activities net position	$ 39,069,398	$ 34,760,896	$ 36,528,937	$ 45,624,901	$ 47,978,419
Business-type activities					
Net investment in capital assets	$ 33,201,935	$ 40,291,436	$ 41,007,984	$ 41,212,874	$ 42,181,760
Unrestricted	2,917,487	3,407,022	3,738,156	4,674,500	4,644,082
Total business-type activities net position	$ 36,119,422	$ 43,698,458	$ 44,746,140	$ 45,887,374	$ 46,825,842
Primary government					
Net investment in capital assets	$ 69,373,091	$ 72,432,280	$ 74,775,682	$ 74,071,418	$ 75,826,917
Restricted	3,485,786	4,048,669	4,609,440	13,327,692	13,608,484
Unrestricted	2,329,943	1,978,405	1,889,955	4,113,165	5,368,860
Total primary government net position	$ 75,188,820	$ 78,459,354	$ 81,275,077	$ 91,512,275	$ 94,804,261

	2021	2022	2023	2024	2025
Governmental activities					
Net investment in capital assets	$ 32,705,263	$ 33,473,388	$ 38,520,668	$ 40,852,733	$ 39,299,117
Restricted	17,480,247	16,190,281	14,827,357	16,486,480	21,282,623
Unrestricted	2,471,719	7,603,844	7,015,295	1,665,935	(3,420,078)
Total governmental activities net position	$ 52,657,229	$ 57,267,513	$ 60,363,320	$ 59,005,148	$ 57,161,662
Business-type activities					
Net investment in capital assets	$ 42,105,237	$ 41,840,418	$ 42,576,541	$ 41,609,904	$ 49,947,479
Unrestricted	6,119,834	6,096,776	4,976,841	5,750,526	(2,412,287)
Total business-type activities net position	$ 48,225,071	$ 47,937,194	$ 47,553,382	$ 47,360,430	$ 47,535,192
Primary government					
Net investment in capital assets	$ 74,810,500	$ 75,313,806	$ 81,097,209	$ 82,462,637	$ 89,246,596
Restricted	17,480,247	16,190,281	14,827,357	16,486,480	21,282,623
Unrestricted	8,591,553	13,700,620	11,992,136	7,416,461	(5,832,365)
Total primary government net position	$ 100,882,300	$ 105,204,707	$ 107,916,702	$ 106,365,578	$ 104,696,854

City of Pittsburg, Kansas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020
Expenses					
Governmental activities:					
General government	$ 3,898,821	$ 4,374,506	$ 4,451,763	$ 5,142,761	$ 5,490,317
Public safety	8,669,238	8,945,264	8,908,637	9,260,971	8,771,582
Public works	4,185,851	4,819,435	4,858,335	4,683,519	4,043,650
Sanitation and health	165,314	170,443	203,076	209,768	154,301
Culture and recreation	2,441,061	2,351,318	2,336,420	2,463,901	2,077,902
Industrial promotion	981,068	1,813,667	2,050,712	755,760	883,682
Economic development	35,878	6,306,088	148,081	260,836	59,862
Social welfare	1,803,091	1,715,860	1,772,291	1,775,831	2,114,027
Interest on long-term debt	824,065	643,577	572,765	663,463	575,209
Total governmental expenses	23,004,387	31,140,158	25,302,080	25,216,810	24,170,532
Business-type activities:					
Water/wastewater	6,039,288	5,803,266	6,034,171	6,260,080	6,273,694
Stormwater	588,850	560,282	588,843	643,446	798,286
Property and sanitation	-	-	-	-	-
Total business-type activities expenses	6,628,138	6,363,548	6,623,014	6,903,526	7,071,980
Total primary government expenses	$ 29,632,525	$ 37,503,706	$ 31,925,094	$ 32,120,336	$ 31,242,512
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 1,014,900	$ 961,705	$ 895,885	$ 1,245,824	$ 1,230,736
Public safety	-	2,069	823,390	432,481	281,588
Public works	676,310	690,791	219,695	727,097	518,988
Industrial promotion	270,156	536,648	545,829	183,541	205,336
Other activities	518,249	153,006	965,543	496,978	271,660
Operating grants and contributions	1,278,576	865,936	4,051,151	2,594,572	2,936,163
Capital grants and contributions	3,334,419	3,955,343	-	1,118,350	860,725
Total governmental activities program revenues	7,092,610	7,165,498	7,501,493	6,798,843	6,305,196
Business-type activities:					
Charges for services:					
Water/wastewater	8,022,592	7,965,780	8,204,765	8,552,391	8,685,550
Stormwater	823,722	814,904	833,671	853,994	855,651
Property and sanitation	-	-	-	-	-
Operating grants and contribtutions	-	-	-	28,754	-
Capital grants and contributions	41,080	6,354,177	4,536	-	-
Total business-type activities program revenues	8,887,394	15,134,861	9,042,972	9,435,139	9,541,201
Total primary government program revenues	$ 15,980,004	$ 22,300,359	$ 16,544,465	$ 16,233,982	$ 15,846,397
Net (Expense)/Revenue					
Governmental activities	$ (15,911,777)	$ (23,974,660)	$ (17,800,587)	$ (18,417,967)	$ (17,865,336)
Business-type activities	2,259,256	8,771,313	2,419,958	2,531,613	2,469,221
Total primary government net expense	$ (13,652,521)	$ (15,203,347)	$ (15,380,629)	$ (15,886,354)	$ (15,396,115)
General Revenues and other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	$ 5,920,213	$ 6,374,304	$ 6,615,702	$ 6,956,114	$ 6,989,489
Sales taxes	9,460,294	9,606,398	8,785,802	9,150,441	9,591,694
Franchise taxes	1,934,284	1,934,474	1,958,611	1,938,900	1,797,503
Investment earnings	26,016	102,715	233,093	321,325	98,485
Miscellaneous	488,411	803,660	704,820	268,877	191,683
Transfers	1,171,031	1,167,821	1,420,296	1,467,999	1,550,000
Total governmental activities	19,000,249	19,989,372	19,718,324	20,103,656	20,218,854
Business-type activities					
Investment earnings	4,941	41,504	66,149	77,620	19,247
Transfers	(1,171,031)	(1,167,821)	(1,420,296)	(1,467,999)	(1,550,000)
Total business-type activities	(1,166,090)	(1,126,317)	(1,354,147)	(1,390,379)	(1,530,753)
Total primary government	$ 17,834,159	$ 18,863,055	$ 18,364,177	$ 18,713,277	$ 18,688,101
Change in Net Position					
Governmental activities	$ 3,088,472	$ (3,985,288)	$ 1,917,737	$ 1,685,689	$ 2,353,518
Business-type activities	1,093,166	7,644,996	1,065,811	1,141,234	938,468
Total primary government	$ 4,181,638	$ 3,659,708	$ 2,983,548	$ 2,826,923	$ 3,291,986

(Continued)

City of Pittsburg, Kansas
Changes in Net Position
(Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2021	2022	2023	2024	2025
Expenses					
Governmental activities:					
General government	$ 4,685,751	$ 5,352,351	$ 6,421,961	$ 8,162,848	$ 10,051,382
Public safety	8,807,374	9,913,402	11,146,655	11,980,164	12,462,990
Public works	4,170,020	4,983,272	6,145,710	5,977,879	5,169,811
Sanitation and health	178,258	184,268	425,160	410,338	507,644
Culture and recreation	3,087,843	3,643,056	3,920,294	8,446,522	5,884,787
Industrial promotion	1,212,710	1,054,588	1,572,787	2,108,651	1,559,901
Economic development	33,750	149,919	50,853	901,403	440,010
Social welfare	1,970,866	1,838,668	2,127,200	2,136,047	2,837,427
Interest on long-term debt	525,506	530,575	472,435	536,244	799,037
Total governmental expenses	24,672,078	27,650,099	32,283,055	40,660,096	39,712,989
Business-type activities:					
Water/wastewater	6,331,138	7,926,942	8,664,575	8,153,921	8,957,026
Stormwater	731,128	918,573	922,272	1,124,941	833,294
Property and sanitation	-	-	-	397,148	1,320,172
Total business-type activities expenses	7,062,266	8,845,515	9,586,847	9,676,010	11,110,492
Total primary government expenses	$ 31,734,344	$ 36,495,614	$ 41,869,902	$ 50,336,106	$ 50,823,481
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 1,178,463	$ 1,385,939	$ 2,292,150	$ 2,485,771	$ 2,523,579
Public safety	269,139	195,757	185,819	261,851	242,961
Public works	837,547	1,043,279	806,353	725,005	1,166,798
Industrial promotion	191,817	65,787	77,281	72,361	-
Other activities	549,249	600,423	853,561	942,512	997,477
Operating grants and contributions	3,232,972	3,367,627	3,304,324	4,264,910	5,116,660
Capital grants and contributions	1,132,676	1,519,953	2,249,390	4,329,787	1,746,193
Total governmental activities program revenues	7,391,863	8,178,765	9,768,878	13,082,197	11,793,668
Business-type activities:					
Charges for services:					
Water/wastewater	9,161,061	9,208,613	9,530,215	9,880,245	10,419,558
Stormwater	896,076	869,777	879,013	897,936	926,554
Property and sanitation	-	-	-	132,850	730,117
Operating grants and contribtutions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	10,057,137	10,078,390	10,409,228	10,911,031	12,076,229
Total primary government program revenues	$ 17,449,000	$ 18,257,155	$ 20,178,106	$ 23,993,228	$ 23,869,897
Net (Expense)/Revenue					
Governmental activities	$ (17,280,215)	$ (19,471,334)	$ (22,514,177)	$ (27,577,899)	$ (27,919,321)
Business-type activities	2,994,871	1,232,875	822,381	1,235,021	965,737
Total primary government net expense	$ (14,285,344)	$ (18,238,459)	$ (21,691,796)	$ (26,342,878)	$ (26,953,584)
General Revenues and other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	$ 7,053,560	$ 7,202,183	$ 7,458,217	$ 7,788,755	$ 8,035,740
Sales taxes	10,769,860	12,189,555	11,955,704	12,811,797	12,704,679
Franchise taxes	1,905,391	2,314,731	2,128,477	2,149,943	2,257,935
Investment earnings	11,326	222,892	1,208,398	1,261,479	1,151,670
Miscellaneous	618,888	1,582,935	1,276,870	1,249,906	925,295
Transfers	1,600,000	1,609,966	1,582,318	1,410,877	1,100,000
Total governmental activities	21,959,025	25,122,262	25,609,984	26,672,757	26,175,319
Business-type activities					
Investment earnings	4,358	104,880	376,125	174,062	309,025
Transfers	(1,600,000)	(1,609,966)	(1,582,318)	(1,410,877)	(1,100,000)
Total business-type activities	(1,595,642)	(1,505,086)	(1,206,193)	(1,236,815)	(790,975)
Total primary government	$ 20,363,383	$ 23,617,176	$ 24,403,791	$ 25,435,942	$ 25,384,344
Change in Net Position					
Governmental activities	$ 4,678,810	$ 5,650,928	$ 3,095,807	$ (905,142)	$ (1,744,002)
Business-type activities	1,399,229	(272,211)	(383,812)	(1,794)	174,762
Total primary government	$ 6,078,039	$ 5,378,717	$ 2,711,995	$ (906,936)	$ (1,569,240)

City of Pittsburg, Kansas
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020
General Fund					
Nonspendable	$ 79,189	$ 84,368	$ 101,844	$ 104,723	$ 110,714
Restricted	-	-	-	-	-
Assigned	140,307	24,778	110,956	23,873	93,742
Unassigned	4,504,641	5,399,833	6,074,236	7,061,086	8,725,067
Total general fund	$ 4,724,137	$ 5,508,979	$ 6,287,036	$ 7,189,682	$ 8,929,523
All Other Governmental Funds					
Nonspendable	$ 7,154	$ 6,846	$ 8,281	$ 6,609	$ 7,414
Restricted	15,796,917	8,764,289	6,318,359	6,017,194	6,767,991
Assigned	5,515,485	5,013,356	4,207,988	4,784,360	5,131,620
Unassigned	(5,981)	-	-	-	-
Total all other governmental funds	$ 21,313,575	$ 13,784,491	$ 10,534,628	$ 10,808,163	$ 11,907,025

	2021	2022	2023	2024	2025
General Fund					
Nonspendable	$ 125,570	$ 184,627	$ 156,126	$ 138,735	$ 86,471
Restricted	-	-	-	-	-
Assigned	274,988	137,666	24,659	41,313	86,611
Unassigned	10,105,617	13,337,849	14,219,077	10,026,985	5,696,213
Total general fund	$ 10,506,175	$ 13,660,142	$ 14,399,862	$ 10,207,033	$ 5,869,295
All Other Governmental Funds					
Nonspendable	$ 7,972	$ 133,544	$ 253,523	373,896	492,492
Restricted	11,048,637	10,238,571	9,272,298	11,349,494	16,659,887
Assigned	5,039,583	6,851,255	7,120,668	6,770,174	6,576,223
Unassigned	-	-	(770,274)	(472,749)	(16,432)
Total all other governmental funds	$ 16,096,192	$ 17,223,370	$ 15,876,215	$ 18,020,815	$ 23,712,170

City of Pittsburg, Kansas
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020
Revenues					
Taxes	$ 17,314,791	$ 17,915,176	$ 17,360,115	$ 18,045,455	$ 18,378,686
Licenses and permits	270,156	153,006	219,695	150,150	192,078
Intergovernmental	4,309,329	4,110,600	4,217,529	3,599,171	3,748,032
Charges for services	1,782,057	1,821,897	2,362,233	2,252,758	1,782,945
Fines and forfeitures	427,402	369,316	321,625	382,358	266,712
Special assessments	60,470	57,341	490,899	482,411	451,980
Investment earnings	26,016	102,715	233,093	321,325	98,485
Lease income	325,931	301,926	239,471	183,541	205,336
Miscellanous	488,411	776,114	747,291	453,985	289,853
Total revenues	25,004,563	25,608,091	26,191,951	25,871,154	25,414,107
Expenditures					
General government	3,665,567	3,858,674	4,501,516	4,519,952	4,434,791
Public safety	7,554,178	7,438,225	7,749,072	8,301,051	7,737,398
Public works	2,188,866	2,222,757	2,468,212	2,644,864	2,435,541
Sanitation and health	158,228	169,187	198,801	208,941	153,546
Economic development	1,842,473	58,368	1,912,498	105,016	19,240
Culture and recreation	944,718	1,893,042	2,036,343	1,954,134	1,543,301
Industrial promotion	35,878	1,771,053	100,840	755,756	889,042
Social welfare	1,798,485	1,714,382	1,771,207	1,775,912	2,114,535
Capital outlay	3,517,187	10,076,283	6,783,769	5,225,272	3,292,616
Debt service principal	3,516,895	3,807,327	2,185,651	2,389,025	2,469,307
Debt service interest	551,880	653,748	555,158	562,143	538,353
Debt issuance costs	259,557	10,050	40,174	120,749	24,640
Total expenditures	26,033,912	33,673,096	30,303,241	28,562,815	25,652,310
Excess of revenues over (under) expenditures	(1,029,349)	(8,065,005)	(4,111,290)	(2,691,661)	(238,203)
Other Financing Sources (Uses)					
Notes payable financed purchases	-	-	-	-	-
General obligation bonds issued	5,000,000	-	-	2,100,000	-
Special assessment bonds issued	6,500,000	-	-	-	-
Bond premium	183,181	-	-	120,376	-
Bond anticipation notes issued	-	-	-	-	-
Sale of capital assets	156,748	152,942	219,188	179,467	1,526,906
Transfers in	4,410,292	4,371,099	1,941,914	2,019,503	2,243,161
Transfers out	(3,239,261)	(3,203,278)	(521,618)	(551,504)	(693,161)
Total other financing sources (uses)	13,010,960	1,320,763	1,639,484	3,867,842	3,076,906
Net change in fund balances	$ 11,981,611	$ (6,744,242)	$ (2,471,806)	$ 1,176,181	$ 2,838,703
Debt service as a percentage of noncapital expenditures	19.22%	18.95%	11.82%	13.16%	13.56%

(Continued)

City of Pittsburg, Kansas
Changes in Fund Balances, Governmental Funds
(Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2021	2022	2023	2024	2025
Revenues					
Taxes	$ 19,728,811	$ 21,706,469	$ 21,542,398	$ 22,750,495	$ 22,998,354
Licenses and permits	234,255	438,906	250,754	360,523	280,538
Intergovernmental	4,234,202	4,771,894	5,367,511	8,460,411	6,626,314
Charges for services	2,279,110	2,531,444	3,635,506	3,730,857	3,930,141
Fines and forfeitures	254,408	196,172	185,969	258,929	242,961
Special assessments	494,001	480,714	474,226	481,114	482,851
Investment earnings	11,326	222,892	1,208,397	1,261,479	1,151,670
Lease income	191,817	65,787	77,281	72,361	413,634
Miscellanous	758,712	1,492,641	1,488,954	1,401,569	1,179,982
Total revenues	28,186,642	31,906,919	34,230,996	38,777,738	37,306,445
Expenditures					
General government	4,530,880	4,653,117	5,837,845	7,180,801	8,268,290
Public safety	7,994,066	9,062,908	10,023,871	10,833,995	11,331,332
Public works	2,688,692	3,377,965	3,604,713	3,076,954	3,486,281
Sanitation and health	177,565	183,431	424,696	410,338	507,644
Economic development	33,750	25,914	13,318	863,868	85,122
Culture and recreation	2,004,813	2,277,562	2,652,710	6,709,898	4,380,839
Industrial promotion	1,168,285	787,547	1,242,514	1,859,614	1,584,312
Social welfare	1,965,211	1,817,484	2,090,807	2,136,047	2,765,297
Capital outlay	3,922,714	4,717,771	8,906,770	7,416,584	9,509,790
Debt service principal	2,667,189	6,564,948	3,160,438	2,701,115	2,897,341
Debt service interest	525,570	439,858	529,328	572,478	716,961
Debt issuance costs	48,583	78,773	10,909	10,623	146,173
Total expenditures	27,727,318	33,987,278	38,497,919	43,772,315	45,679,382
Excess of revenues over (under) expenditures	459,324	(2,080,359)	(4,266,923)	(4,994,577)	(8,372,937)
Other Financing Sources (Uses)					
Notes payable financed purchases	-	581,195	1,229,701	520,369	1,915,926
General obligation bonds issued	-	3,625,000	-	-	5,630,000
Special assessment bonds issued	-	-	-	-	-
Bond premium	-	-	-	-	74,380
Bond anticipation notes issued	3,590,000	81,931	-	-	-
Sale of capital assets	116,495	463,412	847,469	1,015,102	1,105,732
Transfers in	3,504,424	2,666,590	2,491,168	2,215,290	3,598,539
Transfers out	(1,904,424)	(1,056,624)	(908,850)	(804,413)	(2,498,539)
Total other financing sources (uses)	5,306,495	6,361,504	3,659,488	2,946,348	9,826,038
Net change in fund balances	$ 5,765,819	$ 4,281,145	$ (607,435)	$ (2,048,229)	$ 1,453,101
Debt service as a percentage of noncapital expenditures	13.24%	22.83%	12.11%	9.03%	10.40%

City of Pittsburg, Kansas
Sales Tax Rates
Direct and Overlapping Rates
Last Ten Fiscal Years
(in percent)

Fiscal Year	State of Kansas (5)	Crawford County	City Memorial Auditorium	City Capital Outlay	City Economic Development	City Public Safety Debt (2)	City Street Improvements (3)	City Public Safety (4)	Total City Wide	Additional in North Broadway T.D.D. (1)	Additional in Northgate Plaza C.I.D. (6)	Additional in Town Center C.I.D. (7)
2016	6.500	1.000	0.125	0.125	0.250	0.500	0.250	0.500	9.250	0.300	0.000	0.000
2017	6.500	1.000	0.125	0.125	0.250	0.000	0.500	0.500	9.000	0.300	0.000	0.000
2018	6.500	1.000	0.125	0.125	0.250	0.000	0.500	0.500	9.000	0.300	0.000	0.000
2019	6.500	1.000	0.125	0.125	0.250	0.000	0.500	0.500	9.000	0.300	0.900	0.000
2020	6.500	1.000	0.125	0.125	0.250	0.000	0.500	0.500	9.000	0.300	0.900	0.000
2021	6.500	1.000	0.125	0.125	0.250	0.000	0.500	0.500	9.000	0.300	0.900	0.000
2022	6.500	1.000	0.125	0.125	0.250	0.000	0.500	0.500	9.000	0.300	0.900	0.000
2023	6.500	1.000	0.125	0.125	0.250	0.000	0.500	0.500	9.000	0.300	0.900	0.300
2024	6.500	1.000	0.125	0.125	0.250	0.000	0.500	0.500	9.000	0.300	0.900	0.300
2025	6.500	1.000	0.125	0.125	0.250	0.000	0.500	0.500	9.000	0.300	0.900	0.300

(1) North Broadway Transportation Development District effective January 1, 2005

(2) City public safety debt sales tax effective January 1, 2007, expired September 30, 2017.

(3) City street improvements sales tax effective April 1, 2011, renewed April 1, 2016. Additonal one quarter percent effective Ocotber 1, 2017.
In 2020, the two sales tax were combined to 0.50%

(4) City public safety sales tax effective January 1, 2014.

(5) State of Kansas sales tax effective July 1, 2015.

(6) Northgate Plaza Community Improvement District effective July 1, 2019

(7) Town Center Community Improvement District effective April 1, 2023

City of Pittsburg, Kansas
Total City Taxable Sales by Category
Last Ten Fiscal Years

Fiscal Year	Retail Trade	Accommodations and Food Services	Utilities	Wholesale Trade	Information	Other Services	Manufacturing	Construction	All other	Total
2016	$ 205,499,605	$ 33,626,265	$ 26,504,285	$ 14,511,977	$ 11,144,854	$ 7,572,471	$ 8,478,408	$ 7,999,663	$ 79,622,992	$ 394,960,520
2017	203,310,581	49,345,940	26,340,646	7,960,643	15,748,696	9,292,193	6,453,767	8,606,610	76,964,031	404,023,107
2018	199,393,019	54,661,073	25,983,555	10,350,015	15,261,912	7,074,028	5,082,451	9,570,919	71,543,667	398,920,639
2019	221,243,413	56,070,307	25,258,799	11,465,405	13,766,233	23,059,379	5,137,580	6,385,164	59,783,153	422,169,433
2020	244,729,107	50,986,420	23,994,835	10,488,456	11,753,837	22,905,532	4,772,300	4,535,990	36,983	374,203,460
2021	264,652,880	62,217,106	24,939,894	11,188,883	12,095,878	8,682,976	6,021,092	5,488,091	18,881,880	414,168,680
2022	277,823,340	66,104,534	31,398,278	13,634,140	12,459,277	8,931,164	12,582,367	20,290,862	25,775,530	468,999,492
2023	287,243,793	68,460,520	28,604,504	13,188,512	12,544,667	9,351,070	7,446,666	11,536,687	25,937,339	464,313,760
2024	285,793,443	70,447,171	24,625,631	14,816,474	11,919,347	14,080,256	9,201,527	16,518,726	22,764,886	470,167,462
2025	286,841,686	73,120,520	26,020,131	15,068,937	11,750,905	12,367,205	9,218,730	8,945,668	26,691,438	470,025,219

Total City Taxable Sales by Category as Percentage
Last Ten Fiscal Years

Fiscal Year	Retail Trade	Accommodations and Food Services	Utilities	Wholesale Trade	Information	Other Services	Manufacturing	Construction	All other	Total
2016	50.86%	8.32%	6.56%	3.59%	2.76%	1.87%	2.10%	1.98%	19.71%	97.76%
2017	50.97%	12.37%	6.60%	2.00%	3.95%	2.33%	1.62%	2.16%	19.29%	101.28%
2018	47.23%	12.95%	6.15%	2.45%	3.62%	1.68%	1.20%	2.27%	16.95%	94.49%
2019	59.12%	14.98%	6.75%	3.06%	3.68%	6.16%	1.37%	1.54%	15.98%	112.82%
2020	59.09%	12.31%	5.79%	2.53%	2.84%	5.53%	1.15%	1.10%	0.01%	90.35%
2021	56.43%	13.27%	5.32%	2.39%	2.58%	1.85%	1.28%	1.17%	4.03%	88.31%
2022	59.84%	14.24%	6.76%	2.94%	2.68%	1.92%	2.71%	4.37%	5.55%	101.01%
2023	61.86%	14.74%	6.16%	2.84%	2.70%	2.01%	1.60%	2.48%	5.59%	100.00%
2024	60.79%	14.98%	5.24%	3.15%	2.54%	2.99%	1.96%	3.51%	4.84%	100.00%
2025	61.03%	15.56%	5.54%	3.21%	2.50%	2.63%	1.96%	1.90%	5.68%	100.00%

Source: Kansas Department of Revenue

City of Pittsburg, Kansas
Ten Largest Sales Tax Payers
Current Year and Nine Years Ago

Fiscal Year 2025

Business	Category	Taxable Sales	%
A	Retail Trade	$ 112,934,473	24.03%
B	Retail Trade	32,747,167	6.97%
C	Utility	18,764,349	3.99%
D	Retail Trade	14,413,919	3.07%
E	Retail Trade	10,036,222	2.14%
F	Construction	9,881,855	2.10%
G	Retail Trade	7,984,280	1.70%
H	Retail Trade	7,101,813	1.51%
I	Retail Trade	7,087,291	1.51%
J	Retail Trade	6,525,551	1.39%
Subtotal (10 largest)		227,476,920	48.40%
Balance from other payers		242,548,299	51.60%
Grand totals		$ 470,025,219	100.00%

Fiscal Year 2016

Business	Category	Taxable Sales	%
A	Retail Trade	$ 68,562,162	17.36%
B	Retail Trade	24,517,393	6.21%
C	Utility	19,509,327	4.94%
D	Retail Trade	12,058,837	3.05%
E	Retail Trade	8,173,243	2.07%
F	Utility	6,030,121	1.53%
G	Retail Trade	5,211,123	1.32%
H	Utility	4,967,250	1.26%
I	Retail Trade	4,547,527	1.15%
J	Retail Trade	4,113,486	1.04%
Subtotal (10 largest)		157,690,469	39.93%
Balance from other payers		237,270,051	60.07%
Grand totals		$ 394,960,520	100.00%

Source: Kansas Department of Revenue

City of Pittsburg, Kansas
Sales Tax Collections
Last Ten Fiscal Years

Fiscal Year	Crawford County (1)	City Memorial Auditorium	City Capital Outlay	City Economic Development	City Public Safety Debt (2)	City Street Improvements (3)	City Public Safety (4)	City Tax Increment Financing (5)	City North Broadway T.D.D. (6)	Total
2016	$ 2,249,353	$ 461,813	$ 461,813	$ 924,323	$ 1,991,158	$ 995,927	$ 1,991,158	$ 286,419	$ 98,330	$ 9,460,294
2017	2,397,115	479,151	479,151	959,151	1,550,373	1,288,354	2,063,270	291,941	97,891	9,606,397
2018	2,400,397	473,422	473,422	948,070	-	2,044,448	2,044,448	300,293	101,302	8,785,802
2019	2,405,837	501,806	501,806	1,004,908	-	2,162,011	2,162,011	308,279	103,783	9,150,441
2020	2,521,298	515,735	515,735	1,032,821	-	2,252,673	2,252,673	378,116	122,643	9,591,694
2021	2,843,735	573,228	573,228	1,147,967	-	2,518,584	2,518,584	449,835	144,699	10,769,860
2022	3,250,333	665,304	665,304	1,331,998	-	2,864,164	2,864,164	404,503	143,785	12,189,555
2023	3,415,757	713,879	713,879	1,427,758	-	2,870,560	2,870,560	34,623	141,978	12,188,995
2024	3,462,949	720,968	720,968	1,441,935	-	2,883,870	2,883,870	-	139,775	12,254,334
2025	3,662,341	760,271	760,271	1,520,542	-	3,041,084	3,041,084	-	154,200	12,939,794

(1) Based upon State of Kansas formula the City receives a portion of the county sales tax for the general fund.

(2) City public safety debt sales tax became effective January 1, 2007 and is used to repay debt on the law enforcement complex and fire station #1, expired September 30, 2017.

(3) City street improvements sales tax became effective April 1, 2011 and is used for City street improvements, In 2020, the two sales tax were combined to 0.50% This sales tax is set to sunset May 31, 2031.

(4) City public safety sales tax became effective January 1, 2014 and is used to supplement and enhance public safety in the general fund. This sales tax is set to sunset December 31, 2023.

(5) City Tax Increment Financing district receives a portion of the City and County sales tax and is used to repay debt on development improvements within the district.

(6) City Transportation Development District sales tax is used to repay debt on City infrastructure improvements within the district..

City of Pittsburg, Kansas
Water Produced and Consumed and Wastewater Treated
Last Ten Fiscal Years

						Total Direct Rate			
						Water		Sewer	
Fiscal Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated	Base Rate (1)	Usage Rate (2)	Base Rate	Usage Rate
2016	819	696	123	15.02%	1,051	$ 11.45	Variable	$ 19.98	Variable
2017	784	691	93	11.86%	757	11.56	Variable	20.18	Variable
2018	821	711	110	13.40%	1,145	11.68	Variable	20.38	Variable
2019	788	706	83	10.53%	1,911	11.80	Variable	20.58	Variable
2020	825	678	147	17.82%	1,666	11.80	Variable	20.58	Variable
2021	914	737	177	19.37%	1,855	11.80	Variable	20.58	Variable
2022	1,035	789	245	23.67%	2,114	12.15	Variable	21.20	Variable
2023	941	589	183	19.45%	1,069	12.51	Variable	21.83	Variable
2024	1,019	786	235	23.06%	1,368	12.89	Variable	22.48	Variable
2025	1,148	793	355	30.92%	1,148	13.28	Variable	23.14	Variable

Note: Gallons are presented in millions.

Source: New Consumption Report: Clean Drinking Water 2025 Calculations provided by Water/Wastewater Department Manager

City of Pittsburg, Kansas
Annual Tap Sales
Last Ten Fiscal Years

Fiscal Year	Water Meter Taps Sold	Sewer Taps Sold	Total Taps
2015	10	9	19
2016	14	7	21
2017	11	7	18
2018	16	12	28
2019	19	26	45
2020	17	17	34
2021	33	23	56
2022	71	-	71
2023	45	-	45
2024	44	-	44
2025	35	1	36

Source: Public Works Department Director tracks the water taps

City of Pittsburg, Kansas
Number of Water and Sewer Customers by Type
Last Ten Fiscal Years

	WATER			
Fiscal Year	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	OTHER
2016	7,605	540	46	216
2017	7,673	630	46	142
2018	7,520	559	41	231
2019	7,651	568	43	229
2020	7,667	538	36	280
2021	7,668	574	37	304
2022	7,680	583	39	307
2023	7,589	574	38	299
2024	7,588	602	38	297
2025	7,564	571	38	281

	SEWER			
Fiscal Year	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	OTHER
2016	7,050	510	42	138
2017	7,559	554	46	219
2018	6,998	521	37	146
2019	7,104	534	39	150
2020	7,124	508	33	303
2021	7,216	537	35	221
2022	7,151	537	35	223
2023	7,161	539	36	221
2024	7,058	526	36	218
2025	7,085	525	36	220

	TOTAL	
Fiscal Year	WATER	SEWER
2016	8,407	7,740
2017	8,491	8,378
2018	8,351	7,702
2019	8,491	7,827
2020	8,521	7,968
2021	8,583	8,009
2022	8,609	7,946
2023	8,500	7,957
2024	8,525	7,838
2025	8,454	7,866

Water stats are from New Consumption Report: Clean Drinking Water 2025 Calculations provided by Water/Wastewater Department Manager. Wastewater stats are from Sewer Consumption Annual Report

City of Pittsburg, Kansas
Water, Sewer and Stormwater Rates
Last Ten Fiscal Years

WATER RATES PER MONTH, INSIDE CITY LIMITS	Effective Jan 1st 2016	Effective Jan 1st 2017	Effective Jan 1st 2018	Effective Jan 1st 2019	Effective Jan 1st 2020
1. MINIMUM CHARGE, NOT IN EXCESS OF 200 CUBIC FEET	$ 11.45	$ 11.56	$ 11.68	$ 11.80	$ 11.80
2. NEXT 300 CUBIC FEET, PER 100 CUBIC FEET	4.75	4.80	4.85	4.90	4.90
3. NEXT 1,500 CUBIC FEET, PER 100 CUBIC FEET	4.47	4.51	4.56	4.61	4.61
4. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	4.26	4.30	4.34	4.38	4.38
5. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	3.96	4.00	4.04	4.08	4.08
6. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	3.76	3.80	3.84	3.88	3.88
7. NEXT 74,000 CUBIC FEET, PER 100 CUBIC FEET	3.49	3.52	3.56	3.60	3.60
8. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.16	3.19	3.22	3.25	3.25
9. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.16	3.19	3.22	3.25	3.25
10. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.16	3.19	3.22	3.25	3.25
11. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.16	3.19	3.22	3.25	3.25
12. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.16	3.19	3.22	3.25	3.25
13. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.16	3.19	3.22	3.25	3.25
14. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.16	3.19	3.22	3.25	3.25
15. ALL IN EXCESS OF 1,500,000 CUBIC FEET, PER 100 CUBIC FEET	3.16	3.19	3.22	3.25	3.25
WATER RATES PER MONTH, OUTSIDE CITY LIMITS					
1. MINIMUM CHARGE, NOT IN EXCESS OF 200 CUBIC FEET	$ 22.87	$ 23.10	$ 23.33	$ 23.56	$ 23.56
2. NEXT 300 CUBIC FEET, PER 100 CUBIC FEET	8.41	8.49	8.57	8.66	8.66
3. NEXT 1,500 CUBIC FEET, PER 100 CUBIC FEET	6.55	6.62	6.69	6.76	6.76
4. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	4.75	4.80	4.85	4.90	4.90
5. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	4.47	4.51	4.56	4.61	4.61
6. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	4.26	4.30	4.34	4.38	4.38
7. NEXT 74,000 CUBIC FEET, PER 100 CUBIC FEET	3.96	4.00	4.04	4.08	4.08
8. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.76	3.80	3.84	3.88	3.88
9. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.76	3.80	3.84	3.88	3.88
10. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.76	3.80	3.84	3.88	3.88
11. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.76	3.80	3.84	3.88	3.88
12. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.76	3.80	3.84	3.88	3.88
13. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.76	3.80	3.84	3.88	3.88
14. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.76	3.80	3.84	3.88	3.88
15. ALL IN EXCESS OF 1,500,000 CUBIC FEET, PER 100 CUBIC FEET	3.76	3.80	3.84	3.88	3.88
SANITARY SEWER RATES PER MONTH, INSIDE CITY LIMITS					
1. MINIMUM CHARGE, NOT IN EXCESS OF 200 CUBIC FEET	$ 19.98	$ 20.18	$ 20.38	$ 20.58	$ 20.58
2. USER CHARGE, PER 100 CUBIC FEET PER MONTH	2.87	2.90	2.93	2.96	2.96
SANITARY SEWER RATES PER MONTH, OUTSIDE CITY LIMITS					
1. MINIMUM CHARGE, NOT IN EXCESS OF 200 CUBIC FEET	$ 39.78	$ 40.18	$ 40.58	$ 40.99	$ 40.99
2. USER CHARGE, PER 100 CUBIC FEET PER MONTH	5.64	5.70	5.76	5.82	5.82
STORMWATER RATES PER MONTH, INSIDE CITY LIMITS ONLY (1)					
1. PER ERU	$ 3.82	$ 3.86	$ 3.90	$ 3.94	$ 3.94

(1) One ERU (equivalent residential unit) = 3,106 square feet of impervious area.

(Continued)

City of Pittsburg, Kansas
Water, Sewer and Stormwater Rates
(Continued)
Last Ten Fiscal Years

WATER RATES PER MONTH, INSIDE CITY LIMITS	Effective Jan 1st 2021	Effective Jan 1st 2022	Effective Jan 1st 2023	Effective Jan 1st 2024	Effective Jan 1st 2025
1. MINIMUM CHARGE, NOT IN EXCESS OF 200 CUBIC FEET	$ 11.80	$ 12.15	$ 12.51	$ 12.89	$ 13.28
2. NEXT 300 CUBIC FEET, PER 100 CUBIC FEET	4.90	5.05	5.20	5.36	5.52
3. NEXT 1,500 CUBIC FEET, PER 100 CUBIC FEET	4.61	4.75	4.89	5.04	5.19
4. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	4.38	4.51	4.65	4.78	4.92
5. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	4.08	4.20	4.32	4.45	4.58
6. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	3.88	4.00	4.12	4.24	4.37
7. NEXT 74,000 CUBIC FEET, PER 100 CUBIC FEET	3.60	3.71	3.82	3.93	4.05
8. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.25	3.35	3.45	3.55	3.66
9. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.25	3.35	3.45	3.55	3.66
10. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.25	3.35	3.45	3.55	3.66
11. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.25	3.35	3.45	3.55	3.66
12. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.25	3.35	3.45	3.55	3.66
13. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.25	3.35	3.45	3.55	3.66
14. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.25	3.35	3.45	3.55	3.66
15. ALL IN EXCESS OF 1,500,000 CUBIC FEET, PER 100 CUBIC FEET		3.35	3.45	3.55	3.66
WATER RATES PER MONTH, OUTSIDE CITY LIMITS					
1. MINIMUM CHARGE, NOT IN EXCESS OF 200 CUBIC FEET	$ 23.56	$ 24.27	$ 24.99	$ 25.74	$ 26.51
2. NEXT 300 CUBIC FEET, PER 100 CUBIC FEET	8.66	8.92	9.18	9.46	9.74
3. NEXT 1,500 CUBIC FEET, PER 100 CUBIC FEET	6.76	6.96	7.16	7.37	7.59
4. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	4.90	5.05	5.20	5.36	5.52
5. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	4.61	4.75	4.89	5.04	5.19
6. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	4.38	4.51	4.64	4.78	4.92
7. NEXT 74,000 CUBIC FEET, PER 100 CUBIC FEET	4.08	4.20	4.32	4.45	4.58
8. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.88	4.00	4.12	4.24	4.37
9. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.88	4.00	4.12	4.24	4.37
10. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.88	4.00	4.12	4.24	4.37
11. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.88	4.00	4.12	4.24	4.37
12. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.88	4.00	4.12	4.24	4.37
13. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.88	4.00	4.12	4.24	4.37
14. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.88	4.00	4.12	4.24	4.37
15. ALL IN EXCESS OF 1,500,000 CUBIC FEET, PER 100 CUBIC FEET	3.88	4.00	4.12	4.24	4.37
SANITARY SEWER RATES PER MONTH, INSIDE CITY LIMITS					
1. MINIMUM CHARGE, NOT IN EXCESS OF 200 CUBIC FEET	$ 20.58	$ 21.20	$ 21.83	$ 22.48	$ 23.14
2. USER CHARGE, PER 100 CUBIC FEET PER MONTH	2.96	3.05	3.14	3.23	3.33
SANITARY SEWER RATES PER MONTH, OUTSIDE CITY LIMITS					
1. MINIMUM CHARGE, NOT IN EXCESS OF 200 CUBIC FEET	$ 40.99	$ 42.22	$ 43.48	$ 44.78	$ 46.12
2. USER CHARGE, PER 100 CUBIC FEET PER MONTH	5.82	5.99	6.16	6.34	6.53
STORMWATER RATES PER MONTH, INSIDE CITY LIMITS ONLY (1)					
1. PER ERU	$ 3.94	$ 3.98	$ 4.05	$ 4.17	$ 4.30

(1) One ERU (equivalent residential unit) = 3,106 square feet of impervious area.

Source: City of Pittsburg Rate Ordinances, approved by Commission annually

City of Pittsburg, Kansas
Ten Largest Utility Customers
Current Year and Nine Years Ago

		Fiscal Year 2025			
		Water Revenue		Sewer Revenue	
Customer	Category	Amount	%	Amount	%
Sugar Creek Packing Company	Food Products	$ 533,047	10.07%	$ 691,627	13.98%
Pittsburg State University	Education	278,720	5.26%	155,375	3.14%
Crimson Villas	Housing	89,224	1.69%	65,421	1.32%
Summerscape LLC	Housing	87,055	1.64%	47,327	0.96%
Sanderson Pipe	Manufacturing	52,155	0.99%	27,170	0.55%
Sycamore Village Residences	Housing	48,269	0.91%	27,666	0.56%
Royce Parkview	Housing	47,934	0.91%	31,487	0.64%
JBH Investments	Housing	29,391	0.56%	18,823	0.38%
Mercy Hospital	Hospital	26,858	0.51%	10,645	0.22%
Hampton Inn & Suites	Hospitality	25,720	0.49%	17,657	0.36%
Subtotal (10 largest)		1,218,372	23.01%	1,093,198	22.09%
Balance from other customers		4,075,956	76.99%	3,855,469	77.91%
Grand totals		$ 5,294,328	100%	$ 4,948,667	100%

		Fiscal Year 2016			
		Water Revenue		Sewer Revenue	
Customer	Category	Amount	%	Amount	%
Sugar Creek Packing Company	Food Products	$ 296,210	5.59%	$ 436,807	8.83%
Pittsburg State University	Education	197,145	3.72%	68,546	1.39%
Crimson Villas	Housing	66,260	1.25%	20,217	0.41%
Via Christi Hospital	Medical	53,909	1.02%	30,272	0.61%
Sycamore Village Residences	Housing	48,941	0.92%	26,852	0.54%
USD 250 Public Schools	Education	46,121	0.87%	24,465	0.49%
University Commons	Housing	36,276	0.69%	19,331	0.39%
Parkview Community	Housing	32,671	0.62%	20,754	0.42%
Summerscape LLC	Housing	27,384	0.52%	19,614	0.40%
Ridley USA	Agricultural Products	25,658	0.48%	17,215	0.35%
Subtotal (10 largest)		830,575	15.69%	684,073	13.82%
Balance from other customers		3,070,091	57.99%	2,860,365	57.80%
Grand totals		$ 3,900,666	73.68%	$ 3,544,438	71.62%

Note: Dollar values reflected include base rate charges, as well as multiple meters on various accounts.

Source: Tyler Incode ERP System, Customer Ranking Report, ranking top 500 customers

City of Pittsburg, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities					
Fiscal Year	General Obligation Bonds	Special Assessment	Notes Payable Financed Purchases	Lease Obligations Payable	Sales Tax Transportation District Bonds (1)	Tax Increment Financing Bonds (2)
2016	$ 12,519,325	$ 6,539,218	$ 1,639,850	$ -	$ 1,045,000	$ 3,875,000
2017	9,348,679	6,537,257	1,404,114	-	970,000	3,305,000
2018	7,994,708	6,275,296	1,225,102	-	890,000	2,805,000
2019	9,183,731	6,008,335	946,539	-	805,000	2,235,000
2020	9,115,479	5,736,374	1,891,227	-	705,000	1,775,000
2021	7,012,227	5,459,413	1,424,233	-	625,000	1,280,000
2022	9,575,601	5,177,452	876,627	2,422,225	475,000	460,000
2023	8,296,088	4,890,491	1,548,216	2,490,625	340,000	-
2024	7,023,322	4,598,530	1,498,596	2,977,058	195,000	-
2025	11,629,408	4,301,569	2,722,922	3,378,290	-	-

	Business-type Activities					
Fiscal Year	General Obligation Bonds (3)	Notes Payable Financed Purchases	Lease Obligations Payable	K.D.H.E. Loans	Total Primary Government	Per Capita
2016	$ 8,143,564	$ -	$ -	$ 3,873,650	$ 37,635,607	$ 1,862
2017	7,151,757	-	-	3,740,442	32,457,249	1,606
2018	6,428,274	-	-	3,362,262	28,980,642	1,436
2019	5,725,135	428,551	-	3,190,598	28,522,889	1,414
2020	5,038,897	680,009	-	2,899,186	27,841,172	1,380
2021	4,337,658	480,602	-	2,452,309	23,071,442	1,116
2022	3,616,604	137,668	148,718	3,864,550	26,754,445	1,298
2023	2,873,946	13,258	258,308	3,285,066	23,995,998	1,164
2024	2,353,262	972,706	221,980	3,748,637	23,589,091	1,143
2025	1,915,668	998,793	295,038	18,747,119	43,988,807	2,132

(1) Sales tax transportation development district bonds to be retired with special .3% sales tax within transportation development district.

(2) Tax increment financing bonds to be retired with property tax and sales tax generated within increment district.

(3) Business-type activity general obligation bonds are paid with business-type revenues.

City of Pittsburg, Kansas
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

	General Bonded Debt Outstanding					
Fiscal Year	General Obligation Bonds	Less Amount Available in Debt Service Fund	Total	Actual Taxable Value of Property (1)	Percentage of Actual Taxable Value of Property	Per Capita
2016	$ 20,662,889	$ 882,012	$ 19,780,877	$ 857,536,477	2.31%	$ 971
2017	16,500,436	964,528	15,535,908	895,052,217	1.74%	768
2018	14,422,982	683,818	13,739,164	902,468,903	1.52%	680
2019	14,908,866	901,542	14,007,324	903,133,619	1.55%	694
2020	14,154,376	1,087,511	13,066,865	934,439,912	1.40%	648
2021	11,349,885	1,424,800	9,925,085	936,120,634	1.06%	492
2022	14,551,703	1,783,297	12,768,406	948,150,545	1.35%	618
2023	11,170,034	1,577,749	9,592,285	1,018,655,375	0.94%	465
2024	9,376,584	1,614,057	7,762,527	1,100,739,520	0.71%	376
2025	13,545,076	2,039,776	11,505,300	1,139,311,710	1.01%	558

(1) Source: Crawford County Clerk

City of Pittsburg, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2025

Governmental Unit	Debt Outstanding (1)	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Crawford County	$ 1,983,000	52.25%	$ 1,036,118
Pittsburg U.S.D. 250	44,740,000	84.29%	37,711,346
Subtotal, overlapping debt			38,747,464
City direct debt (2)			22,032,189
Total direct and overlapping debt			$ 60,779,653

(1) Source: Crawford County Clerk, USD 249 and USD 250.

(2) The City's direct debt total excludes business-type activities debt.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Pittsburg, Kansas
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Valuation (1)	$ 182,873,528
Legal Debt Limit (2)	54,862,058
General Obligation Bonds	9,376,584
Less Amount Available in Debt Service Fund	1,614,057
Total net debt applicable to limit	7,762,527
Legal debt margin	$ 47,099,531

	2016	2017	2018	2019	2020
Debt limit	$ 40,980,164	$ 44,002,299	$ 44,686,812	$ 44,714,579	$ 46,177,396
Total net debt applicable to limit	11,502,295	15,095,472	13,331,182	13,523,458	11,627,489
Legal debt margin	$ 29,477,869	$ 28,906,827	$ 31,355,630	$ 31,191,121	$ 34,549,907
Total net debt applicable to the limit as a percentage of debt limit	28.07%	34.31%	29.83%	30.24%	25.18%

	2021	2022	2023	2024	2025
Debt limit	$ 46,413,952	$ 46,539,476	$ 49,195,812	$ 48,721,904	$ 54,862,058
Total net debt applicable to limit	9,530,200	12,768,406	9,592,285	9,592,285	7,762,527
Legal debt margin	$ 36,883,752	$ 33,771,070	$ 39,603,527	$ 39,129,619	$ 47,099,531
Total net debt applicable to the limit as a percentage of debt limit	20.53%	27.44%	19.50%	19.69%	14.15%

(1) Includes motor vehicle assessed valuation, source Crawford County Clerk.

(2) Debt limit is set at 30% of assessed valuation per state statute.

City of Pittsburg, Kansas
Pledged-Revenue Coverage
Last Ten Fiscal Years

Sales Tax Transportation District Bonds (1)

Fiscal Year	Sales Tax Increment	City Subsidy	Other Income	Less Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2016	$ 98,330	$ 9,800	$ 10	$ 1,760	$ 106,380	$ 55,000	$ 51,480	1.00
2017	97,891	13,600	398	1,941	109,948	85,000	48,720	0.82
2018	101,302	29,705	1,259	1,860	130,406	80,000	45,000	1.04
2019	103,783	19,200	1,869	1,995	122,857	85,000	41,040	0.97
2020	119,043	27,000	403	1,819	144,627	100,000	36,840	1.06
2021	139,367	-	27	1,750	137,644	80,000	31,920	1.23
2022	145,339	20,000	980	1,750	164,569	120,000	26,520	1.12
2023	149,520	5,753	4,756	1,308	158,721	135,000	20,520	1.02
2024	169,830	3,196	5,151	1,750	176,427	145,000	13,920	1.11
2025	-	-	-	-	-	-	-	-

Tax Increment Financing Bonds (2)

Fiscal Year	Sales Tax Increment	Property Tax Increment	Other Income	Less Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2016	$ 286,419	$ 282,370	$ 122	$ 3,122	$ 565,789	$ 195,000	$ 194,263	1.45
2017	291,941	283,892	2,115	4,173	573,775	570,000	180,810	0.76
2018	300,293	283,300	4,834	3,901	584,526	500,000	152,145	0.90
2019	308,279	298,877	5,324	3,688	608,792	570,000	126,910	0.87
2020	365,442	292,702	1,134	3,190	656,088	460,000	98,245	1.18
2021	436,734	275,039	88	3,000	708,861	495,000	74,848	1.24
2022	441,279	333,251	2,997	3,000	774,527	690,000	43,365	1.06
2023	34,623	333,540	6,398	500	374,060	460,000	11,270	0.79
2024	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-

(1) Sales tax transportation development district bonds to be retired with special .3% sales tax within transportation development district.

(2) Tax increment financing bonds to be retired with property tax and sales tax generated within increment district.

Note: this statement presents non-general obligation long-term debt backed by pledged sales and property tax revenues. The purpose of these bonds was for redevelopment of the northeast retail district.

City of Pittsburg, Kansas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Pittsburg Population (1)	Pittsburg Micropolitan Area Population (1)	Pittsburg Micropolitan Area Median Income (1)	Pittsburg Public School Enrollment (2)	Pittsburg State University Enrollment (3)	Pittsburg Micropolitan Area Unemployment Rate (4)	Pittsburg Median Age (1)
2016	20,366	39,164	$ 34,508	2,934	7,102	4.4%	26.2
2017	20,216	39,333	36,912	3,006	6,907	3.5%	26.1
2018	20,216	39,281	38,017	2,930	6,625	3.5%	25.8
2019	20,178	39,019	40,174	3,028	6,645	3.4%	25.8
2020	20,171	38,968	41,004	3,180	6,398	3.5%	25.9
2021	20,171	38,968	41,004	3,276	6,645	2.3%	25.9
2022	20,667	39,018	45,191	3,306	5,858	2.7%	26.0
2023	20,610	39,012	46,642	3,306	5,732	3.0%	25.7
2024	20,646	38,972	50,311	3,381	5,774	3.8%	26.0
2025	20,637	39,008	52,844	3,394	5,803	4.8%	25.7

(1) Source: CensusReporter (excludes Pittsburg State University population)

(2) Source: Pittsburg USD 250 (Ksreportcard.ksde.org)

(3) Source: Pittsburg State University Admissions

(4) Source: Kansas Department of Labor (Pittsburg Micro Area/Crawford County)

City of Pittsburg, Kansas
Principal Employers (1)
Current Year and Nine Years Ago

Employer	Product	2025 Estimated Number of Employees	2025 Rank	2025 Percentage of Total Employment (3)	2016 Estimated Number of Employees	2016 Rank	2016 Percentage of Total Employment (3)
Pittsburg State University	University	1,584	1	8.27%	1,867	1	10.05%
Ascension Via Christi Hospital	Regional Hospital	738	2	3.85%	540	4	2.91%
Sugar Creek Packing (2)	Food Products	530	3	2.77%	684	2	3.68%
Pittsburg U.S.D. # 250	Public School K-12	485	4	2.53%	677	3	3.64%
CDL Electric Company	Contractor	460	5	2.40%	na	na	na
Community Health Center of SEK	Health Care	454	6	2.37%	164	12	0.88%
Wal-mart	Retailer	296	7	1.55%	287	7	1.54%
Pitt Plastics Inc.	Polyethylene Bags	293	8	1.53%	293	6	1.58%
Miller's Inc.	Professional Photo Finishing	285	9	1.49%	225	10	1.21%
Masonite International	Manufacturing	256	10	1.34%	na	na	na
Kansas Crossing Casino & Hotel	Entertainment	253	11	1.32%	380	5	2.05%
SEKCAP	Non-Profit	230	12	1.20%	na	na	na
City of Pittsburg (4)	City Government	219	13	1.14%	235	9	1.26%
Mpix	Professional Photo Finishing	200	14	1.04%	na	na	na
Diamond Pet Foods (2)	Pet food products	195	15	1.02%	na	na	na
Leisure Time Products	Outdoor Playsets	186	16	0.97%	na	na	na
Total		6,664		34.78%	5,352		28.79%

(1) Source: Pittsburg Chamber of Commerce

(2) Outside City Limits

(3) Source: Kansas Department of Labor

(4) Includes Component Unit (Pittsburg Public Library).

Note: na means data unavailable.

TOTAL EMPLOYMENT FOR CRAWFORD COUNTY (SOURCE: KDOL)	19,154	18,580

Kansas Labor Information Center (KLIC) - Local Area Unemployment Statistics (ks.gov)

City of Pittsburg, Kansas
Full-time Employees by Department
Last Ten Fiscal Years

	2016		2017		2018		2019		2020	
	Number of Employees	Percent of Total	Number of Employees	Percent of Total	Number of Employees	Percent of Total	Number of Employees	Percent of Total	Number of Employees	Percent of Total
Governmental-type Activities										
Administration										
City Manager	2	0.9%	3	1.3%	3	1.3%	3	1.3%	3	1.3%
City Attorney	1	0.4%	1	0.4%	1	0.4%	1	0.4%	1	0.4%
City Clerk	1	0.4%	1	0.4%	1	0.4%	1	0.4%	1	0.4%
Finance Department	5	2.2%	5	2.2%	6	2.6%	6	2.6%	6	2.6%
Human Resources Division	2	0.9%	2	0.9%	2	0.9%	2	0.9%	2	0.9%
Information Systems Division	4	1.8%	4	1.8%	4	1.7%	4	1.7%	4	1.7%
Total Administration	15	6.7%	16	7.0%	17	7.4%	17	7.4%	17	7.3%
Public Safety										
Police Division	71	31.6%	73	32.0%	74	32.3%	74	32.0%	74	31.9%
Fire Division	35	15.6%	35	15.4%	35	15.3%	35	15.2%	35	15.1%
Building Services Division	5	2.2%	4	1.8%	3	1.3%	4	1.7%	4	1.7%
Codes Enforcement Division	2	0.9%	2	0.9%	2	0.9%	2	0.9%	2	0.9%
Animal Control Division	2	0.9%	2	0.9%	2	0.9%	2	0.9%	2	0.9%
Municipal Court Division	6	2.7%	6	2.6%	6	2.6%	6	2.6%	6	2.6%
Total Public Safety	121	53.9%	122	53.6%	122	53.4%	123	53.3%	123	53.1%
Public Works										
Engineering Division	3	1.3%	3	1.3%	4	1.7%	4	1.7%	4	1.7%
Facility Maintenance Division	3	1.3%	3	1.3%	4	1.7%	4	1.7%	4	1.7%
Street & Highway Division	10	4.4%	10	4.4%	10	4.4%	10	4.3%	10	4.3%
Atkinson Airport Division	3	1.3%	3	1.3%	3	1.3%	3	1.3%	3	1.3%
Total Public Safety	19	8.4%	19	8.3%	21	9.2%	21	9.1%	21	9.1%
Sanitation and Health										
Mt. Olive Cemetery Division	1	0.4%	1	0.4%	1	0.4%	1	0.4%	1	0.4%
Culture and Recreation										
Parks Division	8	3.6%	8	3.5%	8	3.5%	8	3.5%	8	3.4%
Recreation Division	3	1.3%	3	1.3%	3	1.3%	3	1.3%	3	1.3%
Golf Course Division	3	1.3%	3	1.3%	3	1.3%	3	1.3%	3	1.3%
Memorial Auditorium Division	5	2.2%	5	2.2%	5	2.2%	5	2.2%	5	2.2%
Total Culture and Recreation	19	8.4%	19	8.3%	19	8.3%	19	8.2%	19	8.2%
Education										
Component Unit (Public Library)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Industrial Development										
Economic Development Division	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Social Welfare										
Community Development and Housing	5	2.2%	6	2.6%	6	2.6%	7	3.0%	7	3.0%
Total for Governmental-type Activities	180	80.0%	183	80.3%	186	81.2%	188	81.4%	188	81.0%
Business-type Activities										
Water-Wastewater Utility										
Water Treatment Division	11	4.9%	11	4.8%	10	4.4%	10	4.3%	10	4.3%
Water Distribution Division	14	6.2%	14	6.1%	13	5.7%	13	5.6%	14	6.0%
Wastewater Treatment Division	6	2.7%	6	2.6%	6	2.6%	6	2.6%	6	2.6%
Wastewater Collections Division	5	2.2%	5	2.2%	5	2.2%	5	2.2%	5	2.2%
Customer Service Division	3	1.3%	3	1.3%	3	1.3%	3	1.3%	3	1.3%
Total Water-Wastewater Utility	39	17.3%	39	17.1%	37	16.2%	37	16.0%	38	16.4%
Property & Sanitation	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Storm Water Utility										
Stormwater Division	6	2.7%	6	2.6%	6	2.6%	6	2.6%	6	2.6%
Total for Business-type Activities	45	20.0%	45	19.7%	43	18.8%	43	18.6%	44	19.0%
Total Full-time Employees	225	100.0%	228	100.0%	229	100.0%	231	100.0%	232	100.0%
Component Unit	8		9		10		10		10	

City of Pittsburg, Kansas
Full-time Employees by Department
(Continued)
Last Ten Fiscal Years

	2021		2022		2023		2024		2025	
	Number of Employees	Percent of Total	Number of Employees	Percent of Total	Number of Employees	Percent of Total	Number of Employees	Percent of Total	Number of Employees	Percent of Total
Governmental-type Activities										
Administration										
City Manager	4	1.7%	3	1.3%	3	1.3%	3	1.3%	3	1.2%
City Attorney	1	0.4%	1	0.4%	1	0.4%	1	0.4%	1	0.4%
City Clerk	1	0.4%	1	0.4%	1	0.4%	1	0.4%	1	0.4%
Finance Department	6	2.6%	6	2.6%	5	2.2%	4	1.8%	4	1.7%
Human Resources Division	2	0.9%	2	0.9%	2	0.9%	2	0.9%	2	0.8%
Information Systems Division	4	1.7%	4	1.7%	5	2.2%	5	2.2%	5	2.1%
Total Administration	18	7.8%	17	7.4%	17	7.4%	16	7.0%	16	6.6%
Public Safety										
Police Division	74	31.9%	74	32.0%	73	31.9%	70	30.7%	68	28.1%
Fire Division	35	15.1%	35	15.2%	35	15.3%	34	14.9%	33	13.6%
Building Services Division	4	1.7%	5	2.2%	6	2.6%	7	3.1%	7	2.9%
Codes Enforcement Division	2	0.9%	2	0.9%	2	0.9%	3	1.3%	3	1.2%
Animal Control Division	2	0.9%	2	0.9%	2	0.9%	2	0.9%	2	0.8%
Municipal Court Division	6	2.6%	6	2.6%	5	2.2%	4	1.8%	5	2.1%
Total Public Safety	123	53.0%	124	53.7%	123	53.7%	120	52.6%	118	48.8%
Public Works										
Engineering Division	3	1.3%	2	0.9%	2	0.9%	1	0.4%	2	0.8%
Facility Maintenance Division	4	1.7%	4	1.7%	4	1.7%	3	1.3%	4	1.7%
Street & Highway Division	10	4.3%	10	4.3%	9	3.9%	11	4.8%	11	4.5%
Atkinson Airport Division	3	1.3%	3	1.3%	3	1.3%	3	1.3%	3	1.2%
Total Public Safety	20	8.6%	19	8.2%	18	7.9%	18	7.9%	20	8.3%
Sanitation and Health										
Mt. Olive Cemetery Division	1	0.4%	1	0.4%	1	0.4%	1	0.4%	1	0.4%
Culture and Recreation										
Parks Division	8	3.4%	8	3.5%	8	3.5%	10	4.4%	10	4.1%
Recreation Division	3	1.3%	3	1.3%	3	1.3%	3	1.3%	3	1.2%
Golf Course Division	3	1.3%	3	1.3%	3	1.3%	3	1.3%	3	1.2%
Memorial Auditorium Division	5	2.2%	5	2.2%	6	2.6%	7	3.1%	7	2.9%
Total Culture and Recreation	19	8.2%	19	8.2%	20	8.7%	23	10.1%	23	9.5%
Education										
Component Unit (Public Library)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Industrial Development										
Economic Development Division	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Social Welfare										
Community Development and Housing	7	3.0%	7	3.0%	7	3.1%	7	3.1%	8	3.3%
Total for Governmental-type Activities	188	81.0%	187	81.0%	186	81.2%	185	81.1%	186	76.9%
Business-type Activities										
Water-Wastewater Utility										
Water Treatment Division	10	4.3%	10	4.3%	10	4.4%	10	4.4%	9	3.7%
Water Distribution Division	14	6.0%	14	6.1%	14	6.1%	14	6.1%	14	5.8%
Wastewater Treatment Division	6	2.6%	6	2.6%	6	2.6%	7	3.1%	9	3.7%
Wastewater Collections Division	5	2.2%	5	2.2%	5	2.2%	3	1.3%	4	1.7%
Customer Service Division	3	1.3%	3	1.3%	3	1.3%	3	1.3%	4	1.7%
Total Water-Wastewater Utility	38	16.4%	38	16.5%	38	16.6%	37	16.2%	40	16.5%
Property & Sanitation	-	0.0%	-	0.0%	-	0.0%	7	3.1%	10	4.1%
Storm Water Utility										
Stormwater Division	6	2.6%	6	2.6%	5	2.2%	6	2.6%	6	2.5%
Total for Business-type Activities	44	19.0%	44	19.0%	43	18.8%	43	18.9%	56	23.1%
Total Full-time Employees	232	100.0%	231	100.0%	229	100.0%	228	100.0%	242	100.0%
Component Unit	10		10		10		8		6	

City of Pittsburg, Kansas
Operating Indicators by Function/program
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020
General government					
Building permits issued	1,264	1,297	1,402	1,295	1,238
Building inspections conducted	1,676	1,625	2,141	2,301	2,200
Memorial auditorium (events)	325	458	505	501	126
Police (1)					
Physical arrests	1,601	1,547	1,452	1,514	794
Parking violations	-	-	-	-	-
Traffic violations	2,596	2,124	1,735	2,050	2,957
Accident Reports	374	615	569	518	373
Fire					
Fire calls	122	150	405	431	543
Emergency calls/EMS	952	996	900	1,023	816
Other calls	1,355	1,175	848	1,081	416
Other public works					
Street resurfacing (tons of asphalt)	5,564	15,963	11,233	19,738	19,242
Airport (gallons sold)	215,365	196,381	204,858	190,550	145,468
Parks and recreation (2)					
Aquatic center (attendance)	19,330	19,126	22,352	22,346	-
Golf course (rounds of golf)	7,924	6,292	7,031	6,864	7,204
Water					
Average daily consumption (gallons)	2,236,650	2,072,758	2,141,825	2,078,767	2,253,066
Peak daily consumption (gallons)	3,421,000	3,123,000	3,687,000	3,028,000	4,061,000
Wastewater					
Average daily sewage treatment (gallons)	2,878,356	3,738,904	3,136,164	5,235,890	4,563,288

Function/Program	2021	2022	2023	2024	2025
General government					
Building permits issued	1,374	1,358	1,055	1,494	1,125
Building inspections conducted	2,701	1,522	2,210	3,048	2,733
Memorial auditorium (events)	276	320	369	355	232
Police (1)					
Physical arrests	1,114	1,030	758	955	903
Parking violations	-	-	-	-	35
Traffic violations	2,975	1,355	1,038	1,760	1,433
Accident Reports	445	375	428	394	378
Fire					
Fire calls	294	178	353	555	739
Emergency calls/EMS	687	1,250	1,178	1,406	1,219
Other calls	689	624	288	375	325
Other public works					
Street resurfacing (tons of asphalt)	5,614	-	-	-	25,407
Airport (gallons sold)	203,430	182,246	156,729	154,643	186,684
Parks and recreation (2)					
Aquatic center (attendance)	15,769	18,075	17,239	15,594	13,698
Golf course (rounds of golf)	9,790	19,234	14,609	15,906	17,672
Water					
Average daily consumption (gallons)	2,504,184	2,162,558	2,929,586	2,783,246	3,151,578
Peak daily consumption (gallons)	4,108,000	5,404,000	5,404,000	4,665,000	4,623,000
Wastewater					
Average daily sewage treatment (gallons)	4,412,877	3,340,822	3,340,822	3,748,493	3,991,243

Sources: Various city departments.

(1) The parking enforcement officer was eliminated in 2013. Going forward accident reports will be tracked in lieu of parking violations.

(Continued)

City of Pittsburg, Kansas
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020
Police					
Stations	1	1	1	1	1
Patrol units	4	4	4	4	4
Fire Stations	3	3	3	3	3
Other public works					
Streets (miles)	142	142	142	142	142
Streetlights	2,042	2,047	2,047	2,047	2,047
Traffic Signals	42	42	42	42	42
Parks and recreation					
Public parks	14	14	14	14	14
Swimming pools	2	2	2	2	2
Golf courses	1	1	1	1	1
Frisbee golf courses	2	2	2	2	2
Baseball/softball fields	9	9	9	9	9
Tennis courts	8	6	6	6	6
Pickle ball Courts	-	-	4	4	4
Community centers	3	2	2	2	2
Water					
Water mains (miles)	172	175	175	175	175
Storage capacity (gallons)	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Wastewater					
Sanitary sewers (miles)	127	130	130	130	130
Treatment daily capacity (gallons)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Stormwater					
Storm sewers (miles)	19	19	19	19	19

Function/Program	2021	2022	2023	2024	2025
Police					
Stations	1	1	1	1	1
Patrol units	4	4	4	4	4
Fire Stations	3	3	3	3	3
Other public works					
Streets (miles)	142	142	142	142	142
Streetlights	2,047	2,047	2,047	2,047	2,047
Traffic Signals	42	42	42	42	42
Parks and recreation					
Public parks	14	14	14	14	14
Swimming pools	2	2	2	2	2
Golf courses	1	1	1	1	1
Frisbee golf courses	2	2	2	2	2
Baseball/softball fields	9	9	9	9	9
Tennis courts	6	6	6	6	2
Pickle ball Courts	4	4	4	4	12
Community centers	2	2	2	2	2
Water					
Water mains (miles)	175	175	175	175	175
Storage capacity (gallons)	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Wastewater					
Sanitary sewers (miles)	130	130	130	130	130
Treatment daily capacity (gallons)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Stormwater					
Storm sewers (miles)	19	19	19	19	19

Sources: Various city departments.

CITY OF PITTSBURG, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Grantor's Number	Assistance Listing Number	Expenditures	Amounts Paid to Subrecipients
U.S. Department of Agriculture:				
Passed through the State of Kansas:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	-	10.561	$ 3,526	$ -
Total SNAP Cluster			3,526	-
Total U.S. Department of Agriculture			3,526	-
U.S. Department of Housing and Urban Development:				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	KS149VO	14.871	1,871,891	-
Section 8 Housing Emergency Housing Vouchers	KS149ES	14.871	57,876	-
Section 8 Housing FYI	KS149AF	14.871	1,500	-
Total Housing Voucher Cluster			1,931,267	-
Passed through State of Kansas:				
Community Development Block Grant	23-PF-026	14.228	610,710	-
Passed through Kansas Housing Resources Corporation:				
Emergency Solutions Grant	E24-Pittsburg	14.231	63,659	27,617
Emergency Solutions Grant	E25-Pittsburg	14.231	9,651	-
			73,310	27,617
HOME Investment Partnerships Program	M-23-SG-20-0180	14.239	81,361	-
Total U.S. Department of Housing and Urban Development			2,696,648	27,617
U.S. Department of Interior:				
Passed through the State of Kansas:				
Outdoor Recreation Acquisition, Development and Planning Program	20-00157	15.916	361,802	-
Total U.S. Department of Interior			361,802	-
U.S. Department of Transportation:				
Passed through the Federal Aviation Administration:				
Airport Improvement Program	3-20-0069-020-2021	20.106	8,402	-
Airport Improvement Program	3-20-0069-023-2022	20.106	37,406	-
Airport Improvement Program	3-20-0069-025-2024	20.106	69,119	-
			114,927	-
Passed through the Kansas Department of Transportation:				
Highway Safety Cluster:				
Alcohol Impaired Driving Countermeasures Incentive Grants	-	20.600	3,629	-
Total Highway Safety Cluster			3,629	-
Total U.S. Department of Transportation			118,556	-
U.S. Department of Treasury:				
Passed through the State of Kansas:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	-	21.027	1,315,976	-
Total U.S. Department of Treasury			1,315,976	-
U.S. Department of Health and Environment:				
Clean Water State Revolving Fund	96704101	66.458	979,110	-
Clean Water State Revolving Fund	96703601	66.458	15,887,995	-
Total U.S. Department of Health and Environment			16,867,105	-
U.S. Department of Health and Human Services:				
Passed through the Family Kansas Resource Center:				
Police Response Advocate	-	93.590	136,365	-
Total U.S. Department of Health and Human Services			136,365	-
Total expenditures of federal awards			$ 21,499,978	$ 27,617

See accompanying notes to schedule of expenditures of federal awards.

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Pittsburg, Kansas (the City) under programs of the federal government for the year ended December 31, 2025. The City's reporting entity is defined in Note 1 to the City's basic financial statements. All federal awards passed through other government agencies are included on the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the net position, changes in net position or cash flows of the City.

2 - Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting which is described in Note 1 to the City's basic financial statements. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

3 - Clean Water State Revolving Fund

The City has received a loan from the U.S. Department of Health and Environment, passed through the Kansas Department of Health and Environment. Expenditures incurred for this project during the period ended December 31, 2025 totaled $ 16,867,105. The balance of the loan outstanding at December 31, 2025 consists of:

Federal Assistance Listing Number	Program Name	Outstanding Balance at December 31, 2025
66.458	Clean Water State Revolving Fund	$ 14,418,899

CITY OF PITTSBURG, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025
(Continued)

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Finding 2025-001 Finding 2025-002
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Noncompliance material to financial statements	None reported

Federal Awards

Type of auditor's report issued on compliance for major programs	Unmodified
Internal control over major programs:	
Material weaknesses identified	Finding 2025-003
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	

Identification of major programs:

Assistance Listing Number	Name of Federal Program
14.871	Section 8 Housing Choice Vouchers
21.027	Coronavirus State and Local Fiscal Recovery Funds
66.458	Clean Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B programs	$ 1,000,000
Auditee qualified as a low-risk auditee:	No

Section II – Financial Statement Findings

Finding 2025-001 – Material Weakness

Condition – During testing, SJHL noted 10 instances of vendor information updates that were not performed in accordance with the City's vendor change policy.

Cause – The City did not follow the process in place related to changes in vendor information. There was a policy in place; however, the key personnel at the City were not aware of the policy. This issue occurred due to improper transition of knowledge during turnover in key financial positions.

Effect – Not following the policy could result in a material misstatement to the financial statements.

Recommendation – We recommend that the City implement consistent training over the vendor change policy as well as review the policy annually.

Management's Response/Corrective Action Plan (Unaudited) – The Director of Finance has provided training to finance staff on the Vendor Fraud Policy. In addition, employees have completed Fraud, Social Engineering, and Phishing Awareness training through the KnowBe4 security awareness platform. KnowBe4 tracks and maintains records of each employee's training completion. Finance policies will be reviewed annually by management, and refresher training will be conducted with staff to ensure ongoing compliance and awareness.

Finding 2025-002 – Material Weakness

Condition – During the course of the audit, significant adjustments were made to the financial statements in accordance with generally accepted accounting principles (GAAP).

Cause – The entries resulted from an error in reconciliation processes for accrual adjustments specifically related to accounts payable.

Effect – There is a potential that the financial statements may be materially misstated.

Recommendation – We recommend that the City implement internal controls to ensure that the City prepares the appropriate adjustments necessary in order to prepare financial statements in accordance with GAAP.

Management's Response/Corrective Action Plan (Unaudited) – Management is continuing to strengthen coordination with departments regarding year-end accruals. As the City operates on a cash basis, these accruals are not relied upon for day-to-day operations. However, the City acknowledges its responsibility for ensuring accurate year-end financial reporting and is implementing improvements through enhanced communication, training, and review processes to identify, record, and post all necessary year-end adjustments accurately and timely.

Section III – Federal Award Findings and Questioned Costs

Finding 2025-003

Type of Finding – Material Weakness in Internal Control Over Compliance, Other Matters

Federal Agency – U.S. Department of the Treasury

Federal Program – COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), ALN No. 21.027

Compliance Requirement – Suspension and Debarment

Repeat Finding – Yes

Condition – During our testing of 5 covered transactions, we noted that management was not able to provide supporting documentation that suspension and debarment procedures were performed prior to the start of the procurement contract.

Questioned Costs – None

Context – For the five transactions tested for suspension and debarment, management was not able to provide the required supporting documentation showing that the suspension and debarment check was completed.

Criteria – 2 CFR 180.300 prohibits entities from contracting under covered transactions to parties that are suspended or debarred from doing business with the federal government. A contract for goods or services is a covered transaction if awarded as a grant or payment for specified use and if the amount of the contract is expected to equal or exceed $ 25,000. In order to comply with federal suspension and debarment requirements, the City can perform a search in the federal System of Award Management (SAM) website, which tracks the entities that the federal government has determined are ineligible to receive federal funding; collect a certification from the entity; or add a clause or condition to the contract.

Cause – There was significant turnover within the finance department of the City and grants administration was missing supervision by key personnel. The finding indicates that there could be some process improvements in how contracts are reviewed, documented and maintained to provide evidence the compliance requirements are being met.

Effect – The City could enter into a federally-funded contract with a suspended or debarred party.

Recommendation – We recommend that the City either obtain certifications from vendors and beneficiaries stating their organization is not suspended, debarred, or otherwise excluded from participation in federal assistance programs or document the procedures performed to verify the vendor or beneficiary is not identified as suspended or debarred on the SAM website. We recommend that the City has proper procedures in place to ensure that all contractual documentation is maintained and able to be located.

Management's Response/Corrective Action Plan (Unaudited) – Management acknowledges the finding. The City has reviewed and updated its written procedures to require that evidence of suspension and debarment checks (e.g., SAM.gov search results, vendor certifications, or contract clauses) be saved in the SUSPENSION-DEBARMENT CHECKS file at the time of verification. The new ERP system has project accounting, grant accounting, and contract accounting modules that allow tracking of the certification numbers/SAM.gov number, etc. Staff have been trained on these requirements and procedures to ensure documentation is consistently maintained for all covered transactions in accordance with federal guidelines.

Planned Completion Date – These modifications are being implemented immediately.

Contact Person Responsible for Correction Action – Finance Director

SWINDOLL JANZEN HAWK & LOYD, LLC
Certified Public Accountants

Helping you get from where you are to where you want to B.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mayor and City Commissioners
City of Pittsburg, Kansas:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pittsburg, Kansas (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings 2025-001 and 2025-002, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Swindoll, Janzen, Hawk & Loyd, LLC

June 29, 2026
Topeka, Kansas

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

Mayor and City Commissioners
City of Pittsburg, Kansas:

Report on Compliance for the Major Federal Programs

Opinion on the Major Programs

We have audited the City of Pittsburg, Kansas's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the year ended December 31, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2025.

Basis for Opinion on the Major Federal Programs

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding Number 2025-003. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of finding and questioned costs as Finding 2025-003 to be a material weakness.

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

Government Auditing Standards requires the audit to perform limited procedures on the City's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Swindoll, Janzen, Hawk & Loyd, LLC

June 29, 2026
Topeka, Kansas