

The City of **Pittsburg, Kansas**
Annual Comprehensive
Financial Report
For The Year Ended December 31, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT
CITY OF PITTSBURG, KANSAS

For the Fiscal Year Ended
December 31, 2021

Prepared by
DEPARTMENT OF FINANCE
City of Pittsburg, Kansas

CITY OF PITTSBURG, KANSAS
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
Year Ended December 31, 2021

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FINANCE AND ADMINISTRATION

201 West 4th Street · Pittsburg KS
66762

(620) 231-4100

www.pittks.org

April 28, 2022

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, 2021. 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 of BT & Co, P.A. was selected by the City Commission to audit the records of the City for the year ended December 31, 2021. 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 and stormwater utility services, municipal airport, municipal 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.

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.

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 and retail. For a list of major employers, refer to page 112 in the statistical section. The area is also served by several financial institutions and insurance companies. Pittsburg State University is the area's major economic presence with a current enrollment of approximately 6,017 students.

Comparing 2021 tax receipts to the prior fiscal year, retail sales tax receipts increased by 12.28%, property tax receipts were up increasing by 0.92% and franchise tax receipts increased 6.00%. The 2020 property valuation assessments to support the 2021 budget decreased by 0.65%.

The Pittsburg micro-area (Crawford County) unemployment rate declined from 4.1 percent in December 2020 to 3.6 percent in December 2021.

Long-term financial planning. The City utilizes a five year financial forecast and plan. Three 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. Completed major utility projects for the year were replacement of water main in the 100 block of East 9th street, replacing water line going into Memorial Auditorium, and various other replacements throughout the City.

Completed major street improvement projects that were funded with the street sales tax included the Georgia Street channel and culvert work. The project included the open ditches in the area between Jefferson Street and Martin Street and the culvert pipe on the south side of Jaycee Ball Park. Work included removal of existing culvert, storm sewer, storm sewer structures, new roadway base and pavement, and sidewalk. Other projects were repaving of Airport Drive, repaving of Atkinson from Broadway to 200th Street, and repaving numerous streets in several established housing additions.

Other infrastructure improvements completed in 2021 are the new splash pad at Schlanger Park and a new air unit at Lincoln Center.

Major initiatives for the future. The City continues to explore various wastewater plant design options in 2022. Engineering design for phase II of East Quincy began in 2021 and construction will begin in 2022. This project will consist of reconstructing the road from Joplin Street to Rouse Street with a new three road with curbs, storm drains and sidewalks.

Awards and acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended December 31, 2020. This was the twenty-fifth 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 unfailing support for maintaining the highest standards of professionalism in the management of the City of Pittsburgh's finances. We look forward to the challenges and opportunities of the future.

Respectfully submitted,

A handwritten signature in black ink that reads "Daron Hall". The signature is fluid and cursive, with the first name "Daron" and last name "Hall" clearly distinguishable.

Daron Hall
City Manager

A handwritten signature in blue ink that reads "Larissa Bowman". The signature is cursive and elegant, with the first name "Larissa" and last name "Bowman" clearly distinguishable.

Larissa Bowman
Director of Finance

CITY OF PITTSBURG, KANSAS
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2021

TITLE

NAME

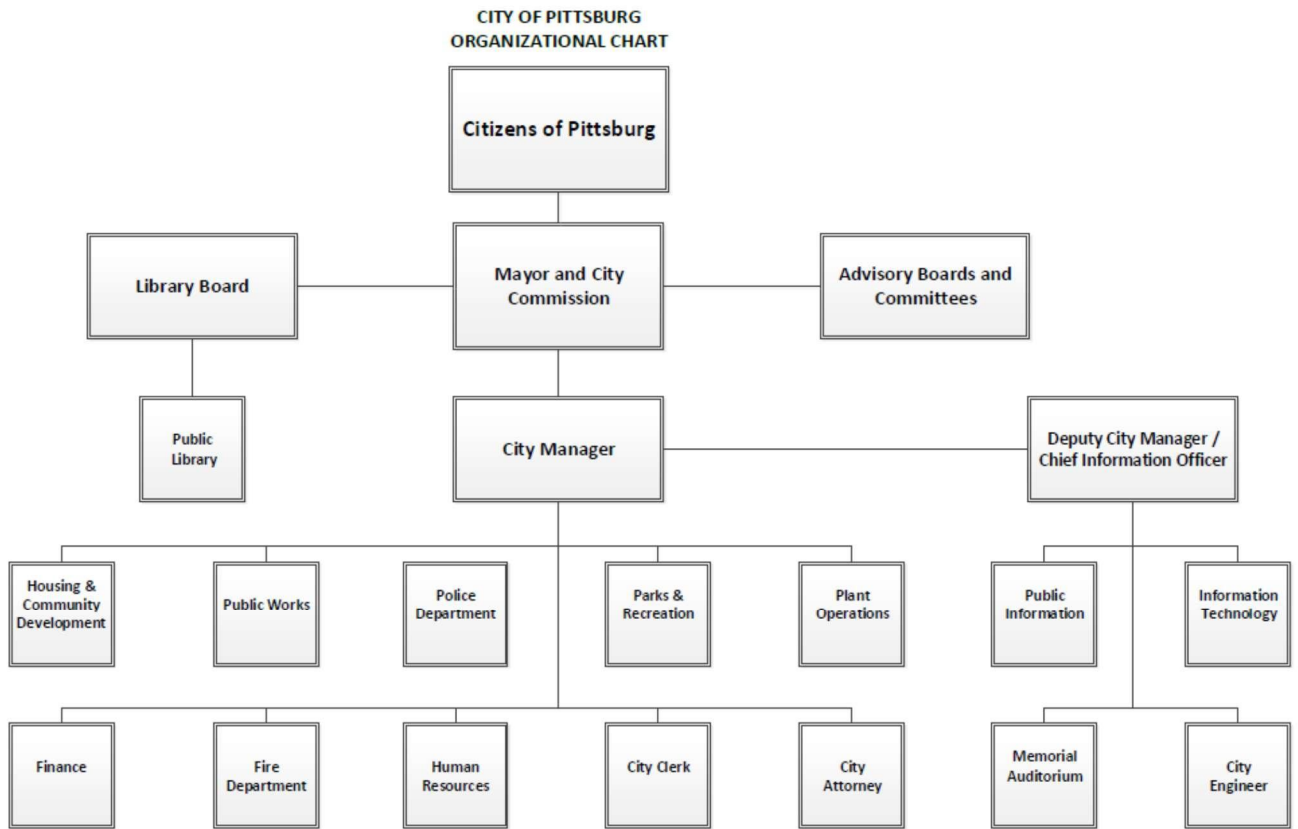
ELECTED:

Mayor	Cheryl Brooks
President of the Board	F. Ronald Seglie, M.D.
Commissioner	Stu Hite
Commissioner	Dawn McNay
Commissioner	Chuck Munsell

APPOINTED:

City Manager	Daron Hall
Deputy City Manager	Jay Byers
City Attorney	Henry Menghini
City Clerk	Tammy Nagel
Director of Finance	Larissa Bowman
Director of Housing & Community Development	Quentin Holmes
Director of Human Resources	Kim Vogel
Director of Parks and Recreation	Toby Book
Director of Public Utilities	Matt Bacon
Fire Chief	Dennis Reilly
Police Chief	Brent Narges

CITY OF PITTSBURG ORGANIZATONAL 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, 2020

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
City Commissioners
City of Pittsburg, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying 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, 2021, 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, 2021, 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 Auditors' 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.

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.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America, 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial 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 auditors' 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 April 28, 2022, 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.

BT & Co., P.A.

April 28, 2022
Topeka, Kansas

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Pittsburgh (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, 2021. 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-iv of this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

Financial Highlights

- The City earned \$10,769,860 from the sales tax for fiscal year 2021, an increase of 12.28% over the prior fiscal year.
- The City's total debt decreased by \$2,501,586 (-9.55%) during 2021.
- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of 2021 by \$100,882,300. Of this amount, \$8,591,553 is unrestricted in use.
- At the close of 2021, the City's general fund reports an ending fund balance of \$10,506,175 which is an increase of \$1,576,652 compared to the prior fiscal year.

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, economic development 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 17-19 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 fourteen 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, capital projects, and the debt service fund. Data from the other twelve 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. 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 20-29 of this report.

The City maintains two 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 and the Stormwater operation. 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 operation and the stormwater operation which are considered to be major funds of the City. The basic proprietary fund financial statements can be found on pages 30-34 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 35-74 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 75-78.

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 79-86 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

	2020	2021	2020	2021	2020	2021
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total Primary Government	Total Primary Government
Current and other assets	\$ 35,267,735	\$ 41,780,515	\$ 6,400,227	\$ 7,856,219	\$ 41,667,962	\$ 49,636,734
Capital Assets	<u>51,859,044</u>	<u>51,936,137</u>	<u>50,665,581</u>	<u>50,458,839</u>	<u>102,524,625</u>	<u>102,394,976</u>
Total assets	<u>87,126,779</u>	<u>93,716,652</u>	<u>57,065,808</u>	<u>58,315,058</u>	<u>144,192,587</u>	<u>152,031,710</u>
Deferred outflows of resources	<u>3,370,878</u>	<u>2,809,904</u>	<u>326,828</u>	<u>261,441</u>	<u>3,697,706</u>	<u>3,071,345</u>
Long-term liabilities outstanding	33,862,297	27,542,344	9,877,769	9,260,547	43,740,066	36,802,891
Other liabilities	<u>1,529,080</u>	<u>6,224,445</u>	<u>568,093</u>	<u>572,690</u>	<u>2,097,173</u>	<u>6,797,135</u>
Total liabilities	35,391,377	33,766,789	10,445,862	9,833,237	45,837,239	43,600,026
Deferred inflows of resources	<u>7,127,861</u>	<u>10,102,538</u>	<u>120,932</u>	<u>518,191</u>	<u>7,248,793</u>	<u>10,620,729</u>
Net position:						
Net investment in capital assets	33,645,157	32,705,263	42,181,760	42,105,237	75,826,917	74,810,500
Restricted	13,608,484	17,480,247	-	-	13,608,484	17,480,247
Unrestricted	<u>724,778</u>	<u>2,471,719</u>	<u>4,644,082</u>	<u>6,119,834</u>	<u>5,368,860</u>	<u>8,591,553</u>
Total Net Position	\$ <u>47,978,419</u>	\$ <u>52,657,229</u>	\$ <u>46,825,842</u>	\$ <u>48,225,071</u>	\$ <u>94,804,261</u>	\$ <u>100,882,300</u>

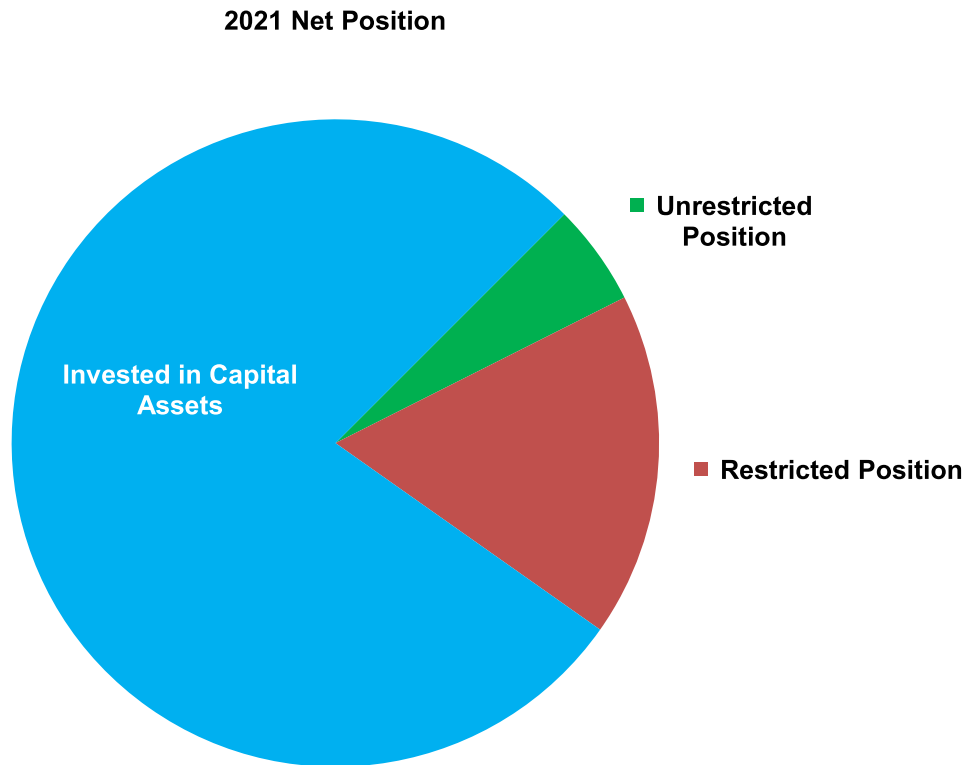
The accounting and financial reporting for pensions has an impact on deferred outflows of resources, deferred inflows of resources and the noncurrent liability. The City's net pension liability is \$10,515,834 as of December 31, 2021. This represents a decrease of \$4,253,008 over the prior year. This liability impacts the unrestricted net position of the City. For more information on the City's pensions and other post-employment benefits see pages 59-71 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 \$100,882,300 at the close of the 2021 fiscal year. By far the largest portion of the City's net position (74.16%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding.

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.

An additional portion (17.19%) of the City's net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position balance of \$8,951,553 may be used to meet the City's ongoing obligations to citizens and creditors.

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.

	2020	2021	2020	2021	2020	2021
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total Primary Government	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 2,508,308	\$ 3,026,215	\$ 9,541,201	\$ 10,057,137	\$ 12,049,509	\$ 13,083,352
Operating grants and contributions	2,936,163	3,232,972	-	-	2,936,163	3,232,972
Capital grants and contributions	860,725	1,132,676	-	-	860,725	1,132,676
General revenues					-	-
Taxes	18,378,686	19,728,811	-	-	18,378,686	19,728,811
Other	<u>290,168</u>	<u>630,214</u>	<u>19,247</u>	<u>4,358</u>	<u>309,415</u>	<u>634,572</u>
Total revenues	<u>24,974,050</u>	<u>27,750,888</u>	<u>9,560,448</u>	<u>10,061,495</u>	<u>34,534,498</u>	<u>37,812,383</u>
Expenses						
General government	5,490,317	4,685,751	-	-	5,490,317	4,685,751
Public Safety	8,771,582	8,807,374	-	-	8,771,582	8,807,374
Public Works	4,043,650	4,170,020	-	-	4,043,650	4,170,020
Sanitation and Health	154,301	178,258	-	-	154,301	178,258
Culture and Recreation	2,077,902	3,087,843	-	-	2,077,902	3,087,843
Industrial Promotion	883,682	1,212,710	-	-	883,682	1,212,710
Economic Development	59,862	33,750	-	-	59,862	33,750
Social Welfare	2,114,027	1,970,866	-	-	2,114,027	1,970,866
Interest on Long Term Debt	575,209	525,506	-	-	575,209	525,506
Water/Wastewater Utility	-	-	6,273,694	6,331,138	6,273,694	6,331,138
Stormwater Utility	<u>-</u>	<u>-</u>	<u>798,286</u>	<u>731,128</u>	<u>798,286</u>	<u>731,128</u>
Total expenses	<u>24,170,532</u>	<u>24,672,078</u>	<u>7,071,980</u>	<u>7,062,266</u>	<u>31,242,512</u>	<u>31,734,344</u>
Increase in net position before transfers	803,518	3,078,810	2,488,468	2,999,229	3,291,986	6,078,039
Transfers	<u>1,550,000</u>	<u>1,600,000</u>	<u>(1,550,000)</u>	<u>(1,600,000)</u>	<u>-</u>	<u>-</u>
Increase in net position	2,353,518	4,678,810	938,468	1,399,229	3,291,986	6,078,039
Net position, beginning	<u>45,624,901</u>	<u>47,978,419</u>	<u>45,887,374</u>	<u>46,825,842</u>	<u>91,512,275</u>	<u>94,804,261</u>
Net position, ending	\$ <u>47,978,419</u>	\$ <u>52,657,229</u>	\$ <u>46,825,842</u>	\$ <u>48,225,071</u>	\$ <u>94,804,261</u>	\$ <u>100,882,300</u>

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 73.38% of the total revenues generated by the City and 77.74% of the City's expenses. Comparing 2021 to 2020, tax revenues increased by 7.35%; this is due to an increase in sales tax collections, property tax collections, and franchise tax revenue showed an increase.

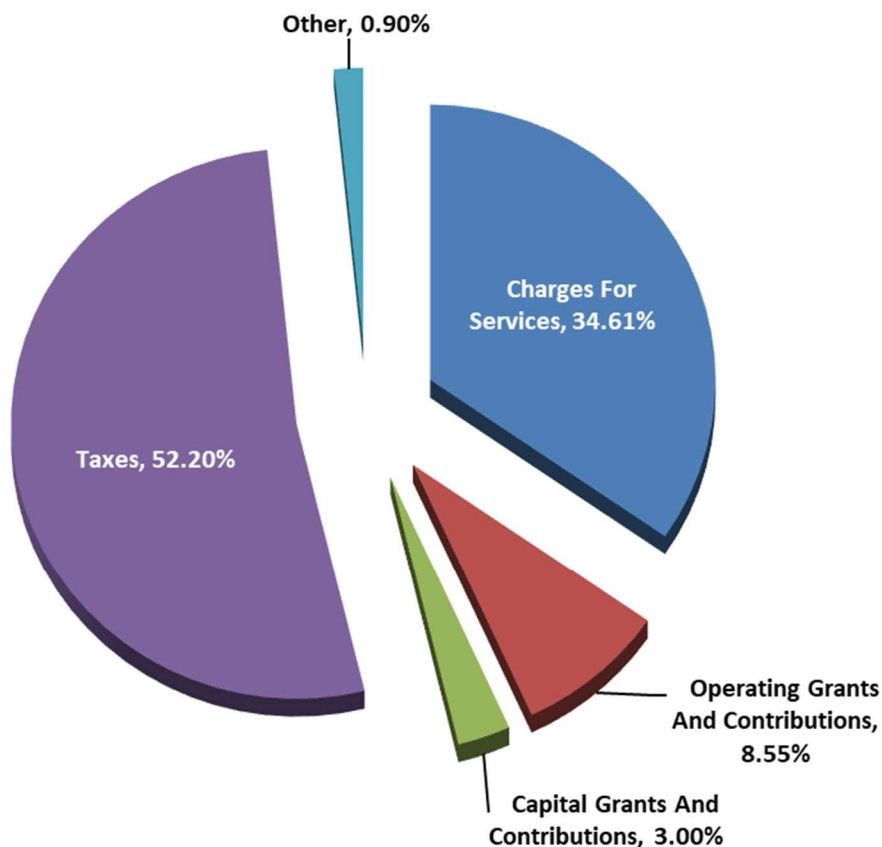
The governmental capital grants and contributions increased by 31.60% in 2021 compared to 2020 mainly due to Kansas Crossing Casino revenues returning to pre-pandemic numbers.

The governmental activities total expenses slightly increased when comparing 2020 to 2021. This is mainly due to projects in 2020 being put on hold due to COVID-19 uncertainties.

The business-type activities, while comprising the smaller percentages of revenues and expenses of the City, showed an increase of \$510,761 (20.53%) in net position, before transfers. Overall the business-type net position recorded an increase of \$1,399,229 (2.99%) in 2021.

The following pie chart shows the composition of the 2021 primary government revenues.

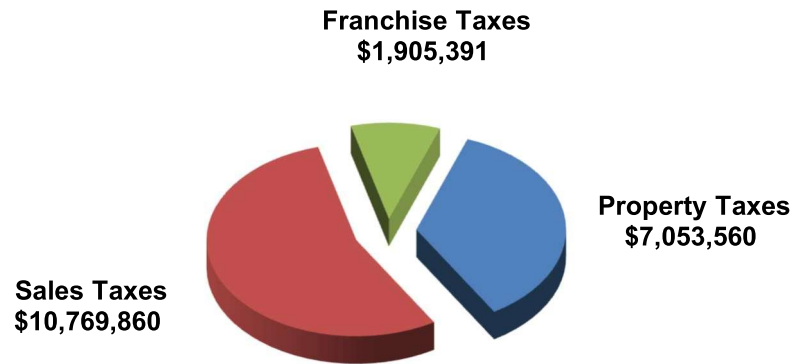
2021 Revenues by Source



The components of the City's taxes are property tax, sales tax and franchise tax. Total tax revenues total \$19,728,811 in 2021 with sales tax being the City's largest tax revenue source.

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

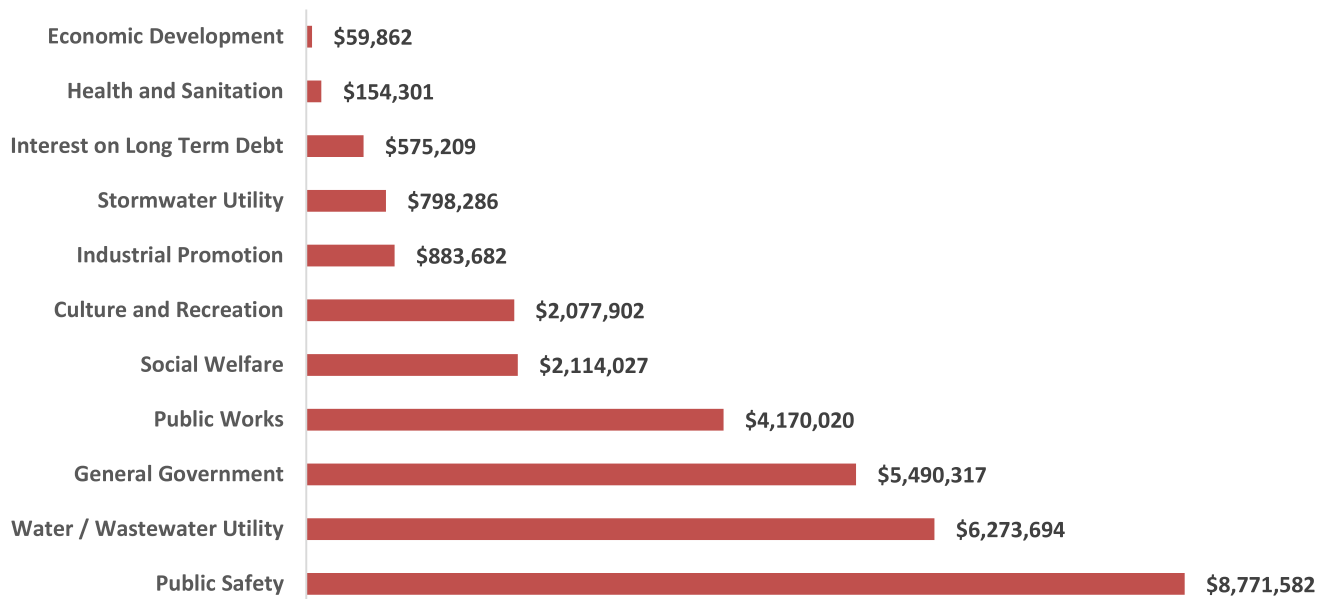
2021 Taxes by Type



■ Property Taxes 35.75% ■ Sales Taxes 54.59% ■ Franchise Taxes 9.66%

The following bar graph shows the composition of the 2021 primary government expenses.

2021 Cost of City Services



The City's public safety and water/wastewater utility activities are the dominant expense categories. These two activities account for 47.72% of the total cost of City services for 2021. The total cost of services of the City's primary government for 2021 is \$31,734,344. This represents an increase of \$491,832 (1.53%) compared to 2020. The portion of these services paid by the City's taxpayers is \$19,728,811(62.18%).

The City's mill levy rate remained relatively flat due to the City Commission's desire to not raise the mill levy rate in 2021. The table below reflects the changes in the City's mill levy for the past two fiscal periods.

City of Pittsburgh's Mill Levy Rates

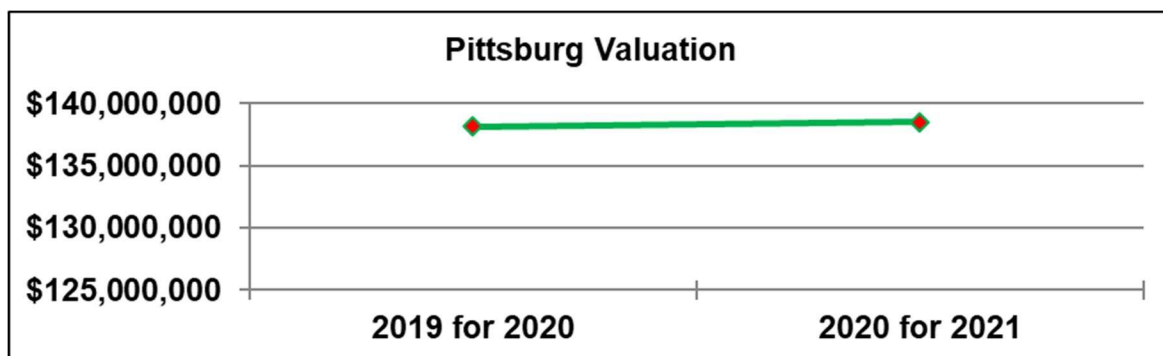
	2019 Levy to support <u>2020 Budget</u>	2020 Levy To support <u>2021 Budget</u>	Increase/ (Decrease) <u>over prior year</u>	% <u>Change</u>
General Fund	\$ 36.967	\$ 37.403	\$ 0.436	1.18 %
Debt Service Fund	8.501	8.000	(0.501)	(5.89) %
Component Unit	<u>6.001</u>	<u>6.072</u>	<u>0.071</u>	1.18 %
Total Mill Levy	<u>\$ 51.469</u>	<u>\$ 51.475</u>	<u>\$ 0.006</u>	0.01 %

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

City of Pittsburgh's Assessed Valuation

	2019 Valuation To support <u>2020 Budget</u>	2020 Valuation To support <u>2021 Budget</u>	Increase/ (Decrease) <u>over prior year</u>	% <u>Change</u>
Real Property	\$127,208,896	\$127,003,870	\$(205,026)	(0.16) %
Personal Property	3,206,099	3,511,631	305,532	9.53 %
State Assessed	<u>7,736,728</u>	<u>8,389,915</u>	<u>653,187</u>	8.44 %
Total	<u>\$138,151,723</u>	<u>\$138,905,416</u>	<u>\$ 753,693</u>	0.55 %

The change in assessed valuation is relatively flat when comparing 2021 to 2020.



Analysis of the Fund Financial Statements

Governmental Funds

The City's governmental funds ending fund balances increased by a total of \$5,765,819 from the prior year. The general fund increased its fund balance by \$1,576,652 which went to operating reserves. The Street and Highway fund balance increased by \$871,174 in 2021. The Revolving Loan fund balance decreased by \$92,020 in 2021 due to purchasing a couple hundred acres for industrial park land.

Compared to 2020 the total governmental fund revenues before transfers increased by \$2,772,535 while the total governmental fund expenditures before transfers increased by \$2,075,008. The 2021 increase in expenditures is largely due to returning to normal spending levels of 2019 following COVID-19.

Before transfers, general fund revenues were up 10.86% and general fund expenditures were up 3.36% compared to 2020. The general fund revenues increased due to higher sales tax and franchise tax collections. The general fund expenditures increased due to higher public safety expense and higher public works expense.

Proprietary Funds

The water and wastewater utility fund had an increase of \$1,412,003 in cash and cash equivalents for 2021. There was an increase of \$1,594,440 in current assets and a decrease in current liabilities of \$3,752 compared to 2020. These changes contributed to an increase in unrestricted net position.

The stormwater utility fund had a decrease of \$167,169 in cash and cash equivalents for 2021. This can be attributed to major stormwater infrastructure improvements.

The combined utility operating income in 2021 increased 18.69%. For 2021 operating revenue increased by \$515,936 while operating expense increased by \$10,961.

Utility infrastructure projects completed during 2021 are new water meters to update several sections within the City, replacement of water main on East 9th Street, and various sanitary sewer line improvements throughout the City.

General Fund Budgetary Highlights

The legally adopted budget for the Section 8 Housing Fund and Special Highway Fund was amended by the City Commission during 2021 to account for greater than estimated expenses incurred due to a street project and an increase in housing vouchers.

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 under budget due to lower than expected group hospitalization health claims expense.
Culture and Recreation	Culture and Recreation expenditures are under budget due to Memorial Auditorium expenditures being less than anticipated and no expenses being incurred against the JayCee Turf reserves.
Public Works	Public Works expenditures are over budget due to adding a City Engineer to staff and an increase in airport traffic that lead to purchase of more fuel for the airplanes.
Public Safety	Public Safety expenditures are under budget due to police patrol personnel not being fully staffed during the year and minimal expense against the public safety facility reserves.

Capital Asset and Debt Administration

Capital Assets

The total investment in capital assets for the primary government at December 31, 2021 was \$102,394,976, net of accumulated depreciation. The net capital assets decreased by 0.09% from the 2020 total.

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	
	2020	2021	2020	2021
Land	\$ 3,566,486	\$ 4,767,017	\$ 582,812	\$ 582,812
Buildings and improvements	17,088,933	16,392,675	16,337,971	15,696,248
Machinery and equipment	4,695,285	4,306,129	3,001,822	3,211,482
Infrastructure	26,143,242	24,860,657	30,311,211	29,577,527
Construction in progress	<u>365,098</u>	<u>1,609,659</u>	<u>406,570</u>	<u>1,390,770</u>
Total	<u>\$ 51,859,044</u>	<u>\$ 51,936,137</u>	<u>\$ 50,640,386</u>	<u>\$ 50,458,839</u>

For additional information on capital assets, please refer in the notes to the basic financial statements on pages 49-51.

Debt Administration

The following table reflects the City's outstanding long-term debt for the past two fiscal periods.

City of Pittsburg's Outstanding Debt				
	Governmental Activities		Business-Type Activities	
	2020	2021	2020	2021
General Obligation Bonds	\$ 7,917,440	\$ 6,834,545	\$ 4,797,560	\$ 4,120,455
Special Assessment Bonds	5,705,000	5,430,000	-	-
K.D.H.E. Construction Loans	-	-	2,748,386	3,535,342
Tax Increment Bonds (TIF)	1,775,000	1,150,000	-	-
Transportation Development District Bonds (TDD)	705,000	595,000	-	-
Capital Leases	<u>1,882,033</u>	<u>1,424,233</u>	<u>671,344</u>	<u>480,602</u>
Total	<u>\$17,984,473</u>	<u>\$15,433,778</u>	<u>\$ 8,217,290</u>	<u>\$ 8,136,399</u>

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 \$46,413,952 which is significantly higher than the general obligation bond outstanding debt.

The City's outstanding general obligation bonds at December 31, 2021, totaled \$16,385,000; of this \$6,834,545 is considered direct tax supported debt. The 2021 direct tax supported debt represents a 13.68% decrease from the 2020 balance. This decrease is due to no new direct tax supported debt being issued in 2021 and \$1,082,895 of direct tax supported debt being retired in 2021.

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 \$275,000 in 2021. 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 2021 while \$677,105 was retired in 2021. The remaining KDHE loans are for improvements at the wastewater plant, water treatment plant and collection systems. During 2021 the City incurred \$1,078,815 in new loan proceeds and repaid \$291,859 in loan principal.

The City's capital leases are repaid from dedicated sales tax revenues and business-type activities. The outstanding capital leases balance decreased by \$648,542 in 2021. A new capital lease started in 2021 was for an airport refueler truck.

The tax increment finance (TIF) bonds are for improvements to the northeast redevelopment district. These bonds are to be repaid with sales tax and property tax collected within the TIF district only. 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 52-59.

BASIC FINANCIAL STATEMENTS

CITY OF PITTSBURG, KANSAS
STATEMENT OF NET POSITION
December 31, 2021

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Library
Assets:				
Cash and cash equivalents	\$ 23,084,301	\$ 6,019,791	\$ 29,104,092	\$ 685,797
Restricted cash and investments	465,807	238,821	704,628	-
Receivables, net of allowance for uncollectibles:				
Taxes	8,337,524	-	8,337,524	818,333
Special assessments	6,543,104	-	6,543,104	-
Accounts	130,125	1,302,244	1,432,369	-
Intergovernmental	323,323	-	323,323	-
Interest	685	685	1,370	-
Loans receivable	2,762,104	-	2,762,104	-
Inventory	53,754	267,296	321,050	-
Prepaid items	79,788	27,382	107,170	5,981
Capital assets, nondepreciable:				
Land	4,767,017	582,812	5,349,829	215,415
Construction in progress	1,609,659	1,390,770	3,000,429	-
Capital assets, depreciable:				
Building and improvements	16,392,675	15,696,248	32,088,923	1,824,634
Machinery and equipment	4,306,129	3,211,482	7,517,611	36,055
Infrastructure	24,860,657	29,577,527	54,438,184	-
Total assets	93,716,652	58,315,058	152,031,710	3,586,215
Deferred outflows of resources:				
Deferred outflows - pension	2,764,700	255,362	3,020,062	87,020
Deferred outflows - OPEB	45,204	6,079	51,283	2,871
Total deferred outflows of resources	2,809,904	261,441	3,071,345	89,891
Liabilities:				
Accounts payable and other current liabilities	1,192,151	261,192	1,453,343	20,703
Accrued interest payable	118,437	72,677	191,114	-
Liabilities payable from restricted cash	-	238,821	238,821	-
Bond anticipation notes payable	3,590,000	-	3,590,000	-
Unearned revenue	1,323,857	-	1,323,857	-
Noncurrent liabilities:				
Due within one year	3,377,163	1,363,444	4,740,607	21,269
Due in more than one year	24,165,181	7,897,103	32,062,284	355,513
Total liabilities	33,766,789	9,833,237	43,600,026	397,485
Deferred inflows of resources:				
Deferred inflows - pension	3,418,125	395,602	3,813,727	106,643
Deferred inflows - OPEB	565,377	122,589	687,966	37,809
Deferred inflows - property taxes	6,119,036	-	6,119,036	818,333
Total deferred inflows of resources	10,102,538	518,191	10,620,729	962,785
Net position:				
Net investment in capital assets	32,705,263	42,105,237	74,810,500	2,076,104
Restricted for:				
Debt service	8,411,023	-	8,411,023	-
Housing	853,712	-	853,712	-
Street and highway	3,305,275	-	3,305,275	-
Capital projects	4,719,140	-	4,719,140	-
Other purposes	191,097	-	191,097	-
Unrestricted	2,471,719	6,119,834	8,591,553	239,732
Total net position	\$ 52,657,229	\$ 48,225,071	\$ 100,882,300	\$ 2,315,836

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

Functions/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Government activities:				
General government	\$ 4,685,751	\$ 1,178,463	\$ 692,457	\$ 221,988
Public safety	8,807,374	269,139	161,058	-
Public works	4,170,020	837,547	145,460	646,608
Health and sanitation	178,258	-	13,443	-
Culture and recreation	3,087,843	541,113	126,445	264,080
Industrial promotion	1,212,710	191,817	-	-
Economic development	33,750	-	-	-
Social welfare	1,970,866	8,136	2,094,109	-
Interest on long-term debt	525,506	-	-	-
Total governmental activities	<u>24,672,078</u>	<u>3,026,215</u>	<u>3,232,972</u>	<u>1,132,676</u>
Business-type activities:				
Water/wastewater	6,331,138	9,161,061	-	-
Stormwater	731,128	896,076	-	-
Total business-type activities	<u>7,062,266</u>	<u>10,057,137</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 31,734,344</u>	<u>\$ 13,083,352</u>	<u>\$ 3,232,972</u>	<u>\$ 1,132,676</u>
Component unit:				
Public library	<u>\$ 1,196,057</u>	<u>\$ 2,706</u>	<u>\$ 158,940</u>	<u>\$ -</u>

(Continued)

CITY OF PITTSBURG, KANSAS
STATEMENT OF ACTIVITIES
(Continued)
Year Ended December 31, 2021

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component
Functions/Program	Governmental	Business-Type	Total	Unit
	Activities	Activities		Library
Government activities:				
General government	\$ (2,592,843)	\$ -	\$ (2,592,843)	\$ -
Public safety	(8,377,177)	-	(8,377,177)	-
Public works	(2,540,405)	-	(2,540,405)	-
Health and sanitation	(164,815)	-	(164,815)	-
Culture and recreation	(2,156,205)	-	(2,156,205)	-
Industrial promotion	(1,020,893)	-	(1,020,893)	-
Economic development	(33,750)	-	(33,750)	-
Social welfare	131,379	-	131,379	-
Interest on long-term debt	(525,506)	-	(525,506)	-
Total governmental activities	(17,280,215)	-	(17,280,215)	-
Business-type activities:				
Water/wastewater	-	2,829,923	2,829,923	-
Stormwater	-	164,948	164,948	-
Total business-type activities	-	2,994,871	2,994,871	-
Total primary government	(17,280,215)	2,994,871	(14,285,344)	-
Component unit:				
Public library	-	-	-	(1,034,411)
General revenues:				
Property taxes	7,053,560	-	7,053,560	905,069
Sales taxes	10,769,860	-	10,769,860	-
Franchise taxes	1,905,391	-	1,905,391	-
Unrestricted investment earnings	11,326	4,358	15,684	638
Miscellaneous	618,888	-	618,888	-
Transfers	1,600,000	(1,600,000)	-	-
Total general revenues and transfers	21,959,025	(1,595,642)	20,363,383	905,707
Change in net position	4,678,810	1,399,229	6,078,039	(128,704)
Net position, beginning of year	47,978,419	46,825,842	94,804,261	2,444,540
Net position, end of year	\$ 52,657,229	\$ 48,225,071	\$ 100,882,300	\$ 2,315,836

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2021

	General	Street and Highway	Revolving Loans	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:							
Cash and cash equivalents	\$ 9,468,635	\$ 3,200,419	\$ 2,102,186	\$ 4,630,646	\$ 1,424,800	\$ 2,257,615	\$ 23,084,301
Receivables (net of allowance for uncollectibles):							
Taxes	6,454,888	468,694	216,708	-	1,173,922	23,312	8,337,524
Special assessments	-	-	-	-	6,543,104	-	6,543,104
Accounts	76,412	-	-	-	-	53,713	130,125
Intergovernmental	-	173,216	-	104,715	-	45,392	323,323
Interest	685	-	-	-	-	-	685
Restricted investments	-	-	-	-	465,807	-	465,807
Loans receivable	-	-	2,723,665	-	-	38,439	2,762,104
Inventory	53,754	-	-	-	-	-	53,754
Prepaid items	71,816	6,943	1,029	-	-	-	79,788
Total assets	\$ 16,126,190	\$ 3,849,272	\$ 5,043,588	\$ 4,735,361	\$ 9,607,633	\$ 2,418,471	\$ 41,780,515
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Accounts payable	\$ 171,036	\$ 533,531	\$ 2,976	\$ 16,221	\$ -	\$ 21,891	\$ 745,655
Accrued payroll	306,020	10,466	-	-	-	4,602	321,088
Accrued self-insurance claims	15,044	-	-	-	-	-	15,044
Unearned revenue	-	-	-	-	-	1,323,857	1,323,857
Other	87,052	-	-	-	-	23,312	110,364
Total liabilities	579,152	543,997	2,976	16,221	-	1,373,662	2,516,008
Deferred inflows of resources:							
Deferred inflows - property taxes	5,040,863	-	-	-	1,078,173	-	6,119,036
Deferred inflows - special assessments	-	-	-	-	6,543,104	-	6,543,104
Total deferred inflows of resources	5,040,863	-	-	-	7,621,277	-	12,662,140
Fund balances:							
Nonspendable	125,570	6,943	1,029	-	-	-	133,542
Restricted:							
Debt service	-	-	-	-	1,986,356	-	1,986,356
Capital projects	-	3,298,332	-	4,719,140	-	-	8,017,472
Housing	-	-	-	-	-	853,712	853,712
Other	-	-	-	-	-	191,097	191,097
Assigned:							
Industrial promotion	274,988	-	5,039,583	-	-	-	5,314,571
Unassigned	10,105,617	-	-	-	-	-	10,105,617
Total fund balances	10,506,175	3,305,275	5,040,612	4,719,140	1,986,356	1,044,809	26,602,367
Total liabilities, deferred inflows of resources and fund balances	\$ 16,126,190	\$ 3,849,272	\$ 5,043,588	\$ 4,735,361	\$ 9,607,633	\$ 2,418,471	\$ 41,780,515

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, 2021

Total fund balance in Governmental Funds Balance Sheet		\$ 26,602,367
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 assets is	108,904,131	
Accumulated depreciation is	<u>(56,967,994)</u>	51,936,137
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.		2,809,904
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.		(3,983,502)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		6,543,104
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	(650,865)	
Total OPEB liability	(1,220,351)	
Net pension liability	(10,030,254)	
General obligation bonds payable	(7,012,228)	
Special assessment bonds payable	(5,459,413)	
Capital leases payable	(1,424,233)	
Revenue bonds payable	(1,745,000)	
Bond anticipation notes payable	(3,590,000)	
Accrued interest on the bonds	<u>(118,437)</u>	<u>(31,250,781)</u>
Net position of governmental activities		<u><u>\$ 52,657,229</u></u>

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, 2021

	General	Street and Highway	Revolving Loans	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes:							
Property	\$ 5,574,017	\$ -	\$ -	\$ -	\$ 1,479,543	\$ -	\$ 7,053,560
Sales	6,508,775	2,518,584	1,147,967	-	594,534	-	10,769,860
Franchise	1,905,391	-	-	-	-	-	1,905,391
Licenses and permits	234,255	-	-	-	-	-	234,255
Intergovernmental	546,392	792,068	-	373,909	-	2,521,833	4,234,202
Charges for services	2,279,110	-	-	-	-	-	2,279,110
Fines and forfeitures	254,408	-	-	-	-	-	254,408
Special assessments	38,303	-	-	-	455,698	-	494,001
Investment earnings	4,902	1,824	2,200	-	1,379	1,021	11,326
Lease income	-	-	191,817	-	-	-	191,817
Miscellaneous	352,246	116,085	110,389	143,477	-	36,515	758,712
Total revenues	17,697,799	3,428,561	1,452,373	517,386	2,531,154	2,559,369	28,186,642
Expenditures:							
Current:							
General government	4,530,880	-	-	-	-	-	4,530,880
Public safety	7,994,066	-	-	-	-	-	7,994,066
Public works	1,028,434	1,660,258	-	-	-	-	2,688,692
Sanitation and health	85,789	-	-	-	-	91,776	177,565
Economic development	-	-	-	-	-	33,750	33,750
Culture and recreation	2,004,585	-	228	-	-	-	2,004,813
Industrial promotion	-	-	943,880	10,788	-	213,617	1,168,285
Social welfare	-	-	-	-	-	1,965,211	1,965,211
Debt service:							
Principal	574,295	-	-	-	2,092,894	-	2,667,189
Interest	37,544	-	-	37,875	450,151	-	525,570
Debt issuance costs and other	-	-	-	38,933	9,650	-	48,583
Capital outlay	1,296,926	1,197,129	600,285	806,401	-	21,973	3,922,714
Total expenditures	17,552,519	2,857,387	1,544,393	893,997	2,552,695	2,326,327	27,727,318
Excess/deficiency of revenues over (under) expenditures	145,280	571,174	(92,020)	(376,611)	(21,541)	233,042	459,324
Other financing sources (uses):							
Capital lease	116,495	-	-	-	-	-	116,495
Temporary note	-	-	-	3,590,000	-	-	3,590,000
Transfers in	1,700,332	300,000	-	85,455	382,000	-	2,467,787
Transfers out	(385,455)	-	-	(382,000)	-	(100,332)	(867,787)
Total other financing sources (uses)	1,431,372	300,000	-	3,293,455	382,000	(100,332)	5,306,495
Net change in fund balances	1,576,652	871,174	(92,020)	2,916,844	360,459	132,710	5,765,819
Fund balances, beginning of year	8,929,523	2,434,101	5,132,632	1,802,296	1,625,897	912,099	20,836,548
Fund balances, end of year	\$ 10,506,175	\$ 3,305,275	\$ 5,040,612	\$ 4,719,140	\$ 1,986,356	\$ 1,044,809	\$ 26,602,367

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, 2021

Net change in fund balances - total governmental funds		\$ 5,765,819
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 expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlay in the period.		
Capital outlay	3,621,019	
Depreciation expense	<u>(3,543,926)</u>	77,093
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(435,753)
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.		26,329
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	32,523	
Other postemployment benefits	(57,314)	
Pension	287,100	
Amortization of premiums	29,656	
Amortization of discounts	<u>(7,338)</u>	284,627
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.		<u>(1,039,305)</u>
Change in net position of governmental activities		<u><u>\$ 4,678,810</u></u>

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, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 16,347,374	\$ 16,347,374	\$ 17,984,697	\$ 1,637,323
Intergovernmental	522,250	522,250	539,305	17,055
Licenses and permits	140,000	140,000	234,255	94,255
Charges for services	3,425,116	3,425,116	3,372,130	(52,986)
Fines and forfeitures	365,450	365,450	254,408	(111,042)
Interest	25,000	25,000	5,119	(19,881)
Miscellaneous	181,739	181,739	390,547	208,808
Total revenues	<u>21,006,929</u>	<u>21,006,929</u>	<u>22,780,461</u>	<u>1,773,532</u>
Expenditures:				
General government:				
General administration:				
Personnel services	1,047,698	1,047,698	1,021,801	(25,897)
Contractual services	171,401	171,401	150,527	(20,874)
Commodities	17,977	17,977	23,424	5,447
Total general administration	<u>1,237,076</u>	<u>1,237,076</u>	<u>1,195,752</u>	<u>(41,324)</u>
Group hospitalization:				
Claims paid	2,216,538	2,216,538	1,831,221	(385,317)
Operating reserve	1,084,651	1,084,651	-	(1,084,651)
Total group hospitalization	<u>3,301,189</u>	<u>3,301,189</u>	<u>1,831,221</u>	<u>(1,469,968)</u>
Human resources:				
Personnel services	159,053	159,053	166,744	7,691
Contractual services	126,428	126,428	120,281	(6,147)
Commodities	2,850	2,850	5,511	2,661
Total human resources	<u>288,331</u>	<u>288,331</u>	<u>292,536</u>	<u>4,205</u>
Information systems:				
Personnel services	325,630	325,630	343,200	17,570
Contractual services	253,817	253,817	269,057	15,240
Commodities	67,158	67,158	90,580	23,422
Capital outlay	40,000	40,000	57,756	17,756
Total information systems	<u>686,605</u>	<u>686,605</u>	<u>760,593</u>	<u>73,988</u>
Facility maintenance:				
Personnel services	244,656	244,656	246,577	1,921
Contractual services	6,639	6,639	9,302	2,663
Commodities	90,595	90,595	147,064	56,469
Capital outlay	-	-	1,355	1,355
Total facility maintenance	<u>\$ 341,890</u>	<u>\$ 341,890</u>	<u>\$ 404,298</u>	<u>\$ 62,408</u>

(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, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
General government (continued):				
Municipal court:				
Personnel services	\$ 298,467	\$ 298,467	\$ 226,893	\$ (71,574)
Contractual services	52,191	52,191	47,543	(4,648)
Commodities	6,300	6,300	10,838	4,538
Total municipal court	356,958	356,958	285,274	(71,684)
Sales tax capital outlay:				
Capital outlay	393,209	393,209	343,793	(49,416)
Reserve	119,947	119,947	-	(119,947)
Total sales tax capital outlay	513,156	513,156	343,793	(169,363)
Total general government	6,725,205	6,725,205	5,113,467	(1,611,738)
Public safety:				
Police department:				
Personnel services	4,520,602	4,520,602	3,939,632	(580,970)
Contractual services	662,136	662,136	626,008	(36,128)
Commodities	260,584	260,584	299,649	39,065
Capital outlay	507,300	507,300	589,168	81,868
Reserve	299,860	299,860	-	(299,860)
Total police department	6,250,482	6,250,482	5,454,457	(796,025)
Fire department:				
Personnel services	2,654,281	2,654,281	2,659,579	5,298
Contractual services	157,486	157,486	190,244	32,758
Commodities	137,872	137,872	124,306	(13,566)
Capital outlay	163,266	163,266	171,238	7,972
Reserve	299,860	299,860	-	(299,860)
Total fire department	3,412,765	3,412,765	3,145,367	(267,398)
Public safety - other:				
Building services:				
Personnel services	285,310	285,310	281,802	(3,508)
Contractual services	12,070	12,070	17,555	5,485
Commodities	9,172	9,172	15,450	6,278
Total building services	306,552	306,552	314,807	8,255
Codes enforcement:				
Personnel services	90,826	90,826	92,222	1,396
Contractual services	53,449	53,449	22,395	(31,054)
Commodities	4,707	4,707	8,589	3,882
Total codes enforcement	\$ 148,982	\$ 148,982	\$ 123,206	\$ (25,776)

(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, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Public safety - other (continued):				
Animal control:				
Personnel services	\$ 95,336	\$ 95,336	\$ 95,846	\$ 510
Contractual services	24,514	24,514	24,579	65
Commodities	7,723	7,723	7,510	(213)
Total animal control	127,573	127,573	127,935	362
Planning and housing:				
Personnel services	277,135	277,135	293,332	16,197
Contractual services	44,142	44,142	44,829	687
Commodities	1,350	1,350	1,100	(250)
Total planning and housing	322,627	322,627	339,261	16,634
Total public safety - other	905,734	905,734	905,209	(525)
Total public safety	10,568,981	10,568,981	9,505,033	(1,063,948)
Public works:				
Engineering department:				
Personnel services	277,136	277,136	213,125	(64,011)
Contractual services	20,389	20,389	107,029	86,640
Commodities	6,478	6,478	6,511	33
Total engineering department	304,003	304,003	326,665	22,662
Atkinson Airport:				
Personnel services	140,379	140,379	148,110	7,731
Contractual services	63,418	63,418	64,292	874
Commodities	351,915	351,915	571,371	219,456
Capital outlay	35,000	35,000	-	(35,000)
Reserve	72,634	72,634	-	(72,634)
Total Atkinson Airport	663,346	663,346	783,773	120,427
Total public works	\$ 967,349	\$ 967,349	\$ 1,110,438	\$ 143,089

(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, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Sanitation and health:				
Mt. Olive Cemetery:				
Personnel services	\$ 54,984	\$ 54,984	\$ 67,209	\$ 12,225
Contractual services	13,439	13,439	13,865	426
Commodities	8,447	8,447	9,989	1,542
Total sanitation and health	76,870	76,870	91,063	14,193
Culture and recreation:				
Parks and recreation:				
Personnel services	792,480	792,480	806,331	13,851
Contractual services	134,436	134,436	149,897	15,461
Commodities	110,880	110,880	146,237	35,357
Capital outlay	-	-	3,338	3,338
Total parks and recreation	1,037,796	1,037,796	1,105,803	68,007
Aquatic center:				
Personnel services	85,994	85,994	83,410	(2,584)
Contractual services	33,384	33,384	33,997	613
Commodities	32,250	32,250	45,348	13,098
Capital outlay	-	-	1,598	1,598
Total aquatic center	151,628	151,628	164,353	12,725
JC ballpark turf reserve:				
Capital outlay	2,500	2,500	-	(2,500)
Reserve	63,557	63,557	-	(63,557)
Total JC ballpark turf reserve	66,057	66,057	-	(66,057)
Four Oaks Complex:				
Personnel services	237,508	237,508	237,667	159
Contractual services	53,233	53,233	54,988	1,755
Commodities	53,864	53,864	90,268	36,404
Capital outlay	-	-	1,137	1,137
Total Four Oaks Complex	344,605	344,605	384,060	39,455
Memorial Auditorium and Convention Center:				
Personnel services	419,265	419,265	307,956	(111,309)
Contractual services	133,585	133,585	87,220	(46,365)
Commodities	35,601	35,601	44,360	8,759
Capital outlay	5,000	5,000	-	(5,000)
Operating reserve	57,675	57,675	8,750	(48,925)
Total Memorial Auditorium and Convention Center	\$ 651,126	\$ 651,126	\$ 448,286	\$ (202,840)

(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, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Culture and recreation (continued):				
Farmers market:				
Personnel services	\$ 4,312	\$ 4,312	\$ 2,908	\$ (1,404)
Contractual services	9,115	9,115	8,406	(709)
Commodities	900	900	1,016	116
Operating reserve	19,326	19,326	-	(19,326)
Total farmers market	33,653	33,653	12,330	(21,323)
Total culture and recreation	2,284,865	2,284,865	2,114,832	(170,033)
Operating reserve	3,952,906	3,952,906	767,865	(3,185,041)
Total expenditures	24,576,176	24,576,176	18,702,698	(5,873,478)
Excess of revenues over (under) expenditures	(3,569,247)	(3,569,247)	4,077,763	7,647,010
Other financing sources (uses):				
Transfers in	1,600,000	1,600,000	3,014,409	1,414,409
Transfers out	(3,696,175)	(3,696,175)	(5,853,831)	(2,157,656)
Total other financing sources (uses)	(2,096,175)	(2,096,175)	(2,839,422)	(743,247)
Net change in fund balances	(5,665,422)	(5,665,422)	1,238,341	6,903,763
Fund balance, beginning of year	5,665,422	5,665,422	7,762,941	2,097,519
Fund balance, end of year	\$ -	\$ -	\$ 9,001,282	\$ 9,001,282

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, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Sales tax	\$ 2,049,455	\$ 2,433,600	\$ 2,457,518	\$ 23,918
Intergovernmental	748,000	787,133	787,133	-
Interest	3,500	2,000	1,824	(176)
Miscellaneous	250	87,100	116,085	28,985
Total revenues	2,801,205	3,309,833	3,362,560	52,727
Expenditures:				
Personnel services	502,832	469,235	419,911	49,324
Contractual services	473,526	504,035	528,799	(24,764)
Commodities	778,391	833,100	806,299	26,801
Capital outlay	1,500,000	1,957,007	1,603,047	353,960
Operating reserves	215,040	215,040	-	215,040
Total expenditures	3,469,789	3,978,417	3,358,056	620,361
Excess (deficiency) of revenues over (under) expenditures	(668,584)	(668,584)	4,504	673,088
Other financing sources (uses):				
Transfer in	275,000	275,000	300,000	25,000
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(393,584)	(393,584)	304,504	698,088
Fund balance, beginning of year	393,584	393,584	1,592,249	1,198,665
Fund balance, end of year	\$ -	\$ -	\$ 1,896,753	\$ 1,896,753

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
December 31, 2021

	Water/ Wastewater	Stormwater	Total Enterprise Funds
Assets:			
Current assets:			
Cash and cash equivalents	\$ 5,425,824	\$ 593,967	\$ 6,019,791
Restricted cash - customer deposits	238,821	-	238,821
Accounts receivable, net of allowance for uncollectibles	1,275,486	26,758	1,302,244
Interest receivable	685	-	685
Inventory	267,296	-	267,296
Prepaid expenses	23,408	3,974	27,382
	<u>7,231,520</u>	<u>624,699</u>	<u>7,856,219</u>
Total current assets			
Noncurrent assets:			
Capital assets, nondepreciable:			
Land	474,742	108,070	582,812
Construction in progress	1,175,011	215,759	1,390,770
Capital assets, depreciable	81,690,540	6,921,264	88,611,804
	<u>83,340,293</u>	<u>7,245,093</u>	<u>90,585,386</u>
Total noncurrent assets			
Less accumulated depreciation	<u>(38,048,607)</u>	<u>(2,077,940)</u>	<u>(40,126,547)</u>
Noncurrent assets, net	<u>45,291,686</u>	<u>5,167,153</u>	<u>50,458,839</u>
Total assets	<u>52,523,206</u>	<u>5,791,852</u>	<u>58,315,058</u>
Deferred outflows of resources:			
Deferred outflows - pension	221,582	33,780	255,362
Deferred outflows - OPEB	5,305	774	6,079
	<u>226,887</u>	<u>34,554</u>	<u>261,441</u>
Total deferred outflows of resources			
Total assets and deferred outflows of resources	<u>\$ 52,750,093</u>	<u>\$ 5,826,406</u>	<u>\$ 58,576,499</u>

(Continued)

CITY OF PITTSBURG, KANSAS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
(Continued)
December 31, 2021

	Water/ Wastewater	Stormwater	Total Enterprise Funds
Liabilities:			
Current liabilities:			
Accounts payable	\$ 135,601	\$ 60,691	\$ 196,292
Accrued payroll	55,897	9,003	64,900
Accrued interest payable	72,677	-	72,677
Customer deposits payable	238,821	-	238,821
Current portion of compensated absences	142,246	13,769	156,015
Current portion of capital leases payable	171,931	22,554	194,485
Current portion of general obligation bonds payable	696,920	-	696,920
Current portion of construction loans payable	316,024	-	316,024
Total current liabilities	<u>1,830,117</u>	<u>106,017</u>	<u>1,936,134</u>
Noncurrent liabilities:			
Total OPEB liability	235,657	29,693	265,350
Net pension liability	411,619	73,961	485,580
Capital leases payable	240,649	45,468	286,117
General obligation bonds payable	3,640,738	-	3,640,738
Construction loans payable	<u>3,219,318</u>	<u>-</u>	<u>3,219,318</u>
Total noncurrent liabilities	<u>7,747,981</u>	<u>149,122</u>	<u>7,897,103</u>
Total liabilities	<u>9,578,098</u>	<u>255,139</u>	<u>9,833,237</u>
Deferred inflows of resources:			
Deferred inflows - pension	337,779	57,823	395,602
Deferred inflows - OPEB	<u>105,243</u>	<u>17,346</u>	<u>122,589</u>
Total deferred inflows of resources	<u>443,022</u>	<u>75,169</u>	<u>518,191</u>
Total liabilities and deferred inflows of resources	<u>10,021,120</u>	<u>330,308</u>	<u>10,351,428</u>
Net position:			
Net investment in capital assets	37,006,106	5,099,131	42,105,237
Unrestricted	<u>5,722,867</u>	<u>396,967</u>	<u>6,119,834</u>
Total net position	<u>\$ 42,728,973</u>	<u>\$ 5,496,098</u>	<u>\$ 48,225,071</u>

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, 2021

	Water/ Wastewater	Stormwater	Total Enterprise Funds
Operating revenues:			
Charges for sales and services:			
Water charges	\$ 4,680,438	\$ -	\$ 4,680,438
Wastewater charges	3,962,769	-	3,962,769
Stormwater charges	-	852,059	852,059
Other charges	517,854	44,017	561,871
	<hr/>	<hr/>	<hr/>
Total operating revenues	9,161,061	896,076	10,057,137
	<hr/>	<hr/>	<hr/>
Operating expenses:			
Cost of sales and services	2,292,444	145,415	2,437,859
Administration	1,653,041	394,827	2,047,868
Depreciation	2,172,993	190,886	2,363,879
	<hr/>	<hr/>	<hr/>
Total operating expenses	6,118,478	731,128	6,849,606
	<hr/>	<hr/>	<hr/>
Operating income	3,042,583	164,948	3,207,531
	<hr/>	<hr/>	<hr/>
Nonoperating revenues (expenses):			
Interest revenue	3,758	600	4,358
Interest expense	(212,660)	-	(212,660)
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues (expenses)	(208,902)	600	(208,302)
	<hr/>	<hr/>	<hr/>
Income before transfers	2,833,681	165,548	2,999,229
	<hr/>	<hr/>	<hr/>
Transfers out	(1,600,000)	-	(1,600,000)
	<hr/>	<hr/>	<hr/>
Change in net position	1,233,681	165,548	1,399,229
	<hr/>	<hr/>	<hr/>
Net position, beginning of year	41,495,292	5,330,550	46,825,842
	<hr/>	<hr/>	<hr/>
Net position, end of year	\$ 42,728,973	\$ 5,496,098	\$ 48,225,071
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
Year Ended December 31, 2021

	Water/ Wastewater	Stormwater	Total Enterprise Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 8,983,883	\$ 894,125	\$ 9,878,008
Payments to suppliers	(2,351,248)	(94,306)	(2,445,554)
Payments to employees	(1,689,583)	(402,597)	(2,092,180)
	<u>4,943,052</u>	<u>397,222</u>	<u>5,340,274</u>
Cash flows from capital and related financing activities:			
Proceeds from capitalization grant/construction loan payable	1,078,815	-	1,078,815
Payments of capitalization grant/construction loan payable	(291,859)	-	(291,859)
Acquisition and construction of capital assets	(1,639,777)	(542,555)	(2,182,332)
Principal paid on capital leases	(168,306)	(22,436)	(190,742)
Principal paid on G.O. bonds	(677,105)	-	(677,105)
Interest paid on capital debt	(236,793)	-	(236,793)
	<u>(1,935,025)</u>	<u>(564,991)</u>	<u>(2,500,016)</u>
Cash flows from noncapital financing activities:			
Interest received	3,976	600	4,576
Cash flows from noncapital financing activities:			
Transfers out	(1,600,000)	-	(1,600,000)
Net increase (decrease) in cash and cash equivalents	1,412,003	(167,169)	1,244,834
Cash and investments, beginning of year	4,252,642	761,136	5,013,778
Cash and investments, end of year	<u>\$ 5,664,645</u>	<u>\$ 593,967</u>	<u>\$ 6,258,612</u>

(Continued)

CITY OF PITTSBURG, KANSAS
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
(Continued)
Year Ended December 31, 2021

	Water/ Wastewater	Stormwater	Total Enterprise Funds
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 3,042,583	\$ 164,948	\$ 3,207,531
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	2,172,993	190,886	2,363,879
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(172,493)	(1,951)	(174,444)
Decrease (increase) in inventory	(9,550)	-	(9,550)
Decrease (increase) in prepaid expenses	(611)	(1,576)	(2,187)
Decrease (increase) in deferred outflows - pension	47,747	8,004	55,751
Decrease (increase) in deferred outflows - OPEB	8,247	1,389	9,636
Increase (decrease) in accounts payable	(48,643)	52,685	4,042
Increase (decrease) in accrued payroll	5,713	(473)	5,240
Increase (decrease) in customer deposits	(4,685)	-	(4,685)
Increase (decrease) in compensated absences payable	3,703	373	4,076
Increase (decrease) in deferred inflows - pension	335,721	56,277	391,998
Increase (decrease) in deferred inflows - OPEB	4,513	748	5,261
Increase (decrease) in net pension liability	(445,031)	(74,600)	(519,631)
Increase (decrease) in net OPEB liability	2,845	512	3,357
Net cash provided by operating activities	<u>\$ 4,943,052</u>	<u>\$ 397,222</u>	<u>\$ 5,340,274</u>
Cash consists of:			
Cash and cash equivalents	\$ 5,425,824	\$ 593,967	\$ 6,019,791
Restricted cash	238,821	-	238,821
	<u>\$ 5,664,645</u>	<u>\$ 593,967</u>	<u>\$ 6,258,612</u>

See accompanying notes to basic financial statements.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2021

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 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.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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 raised 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 operating transfers from the City's General Fund.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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.

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.

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 and the stormwater fund are charges to customers for sales and services. Operating expenses for the water/wastewater fund and the stormwater 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, 2021, interest earnings allocated to the various funds were \$ 10,931.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

The investments consist of money market mutual funds, which are recorded at fair value.

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	\$ 5,040,863
Debt service fund property taxes receivable	1,078,173
Debt service fund special assessments receivable	<u>6,543,104</u>
	<u><u>\$ 12,662,140</u></u>

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 2021 levy was based was \$ 138,020,291.

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 2021 tax levy per \$ 1,000 of assessed valuation was as follows:

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

General Fund	\$ 37.403
Debt Service Fund	8.000
Component unit:	
Library	<u>6.072</u>
	<u>\$ 51.475</u>

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 \$ 1,000 and an estimated useful life in excess of one year. 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.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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 of 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	20 – 50 years
Office equipment	3 – 10 years
Machinery and equipment	3 – 10 years
Water and sewer treatment plants	50 years
Water and sewer mains	50 years
Infrastructure	15 – 100 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 position 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 12 and Note 13 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 position 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. One item is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. The governmental funds report deferred inflows from two sources: property taxes and special assessments. Governmental activities report deferred inflows only from property taxes. The final two items, *deferred inflows for pension* and *deferred inflows for OPEB*, are reported in the government-wide and proprietary funds statements of net position. See Note 12 and Note 13 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 accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the 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, 2021, 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

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Pending Governmental Accounting Standards Board Statements

At December 31, 2021, 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. 87, *Leases*, improves accounting and financial reporting for leases by governments. Statement 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for periods beginning after June 15, 2021.

GASB Statement No. 91, *Conduit Debt Obligations*, eliminates diversity in practice associated with government issuers' financial reporting of conduit debt obligations. The Statement achieves that objective by clarifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improving required note disclosures. The requirements for this statement are effective for periods beginning after December 15, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides guidance for the financial reporting of public-private and public-public partnerships and availability payment arrangements. The requirements of this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for periods beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Finally, the Statement requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements for this statement are effective immediately except for the requirements that are related to the accounting and financial reporting for Section 457 plans, which are effective for fiscal years beginning after June 15, 2021.

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 (e.g., bonds, leases) 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, however, has any effect on net position.” The details of this \$ (1,039,305) difference are as follows:

Debt issued or incurred:	
Capital lease	\$ (116,495)
Bond anticipation note	(3,590,000)
Principal repayments:	
General obligation bonds	1,357,895
Capital leases	574,295
Revenue bonds	<u>735,000</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u><u>\$ (1,039,305)</u></u>

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 CDBG Coronavirus Response fund, the COVID Spark Funds fund, and the American Rescue Plan Fund.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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.

Beginning in 2022, 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 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 the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During 2021, the City amended the budget for the Section 8 Housing fund and the Street and Highway Fund.

Kansas 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. All unencumbered appropriations (legal budget expenditure authority) lapse 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 the use of internal spending limits established by management.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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	\$ 1,576,652	\$ 871,174
Change in:		
Taxes receivable	(178,908)	(61,068)
Grants receivable	-	(4,935)
Interest receivable	218	-
Inventories	(10,672)	-
Prepaid items	(4,184)	(541)
Encumbrances	(181,246)	(499,919)
Salaries payable	27,326	(207)
Health care payable	9,155	-
Net change in fund balances, non-GAAP basis	<u>\$ 1,238,341</u>	<u>\$ 304,504</u>

A Budget and Actual Statement was not prepared for the revolving loans fund because that fund is not required to have a legally adopted budget.

5 - Deposits and Investments

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 sheet. At December 31, 2021, 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.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of December 31, 2021, the City had the following investments:

Level 1 Investment	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
Goldman Sachs Financial Square Government Fund	\$ 465,807	\$ 465,807	\$ -	\$ -	\$ -

The money market investments are composed of U.S. Government securities that are fully collateralized. The City's investments are rated Aaa by Moody's and AAA by Standard & Poor's.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of managing its exposure to fair value losses arising from increasing interest rates, the City has a formally adopted investment policy that limits investment maturities. The policy states that the City must attempt to match investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not invest in securities maturing more than two year from the date of purchase. The City is not exposed to significant interest rate risk.

Credit Risk

Kansas statutes authorize the City and the Library, with certain restrictions, to deposit or invest in temporary notes, no-fund warrants, open accounts, time deposits, certificates of deposit, repurchase agreements, U.S. Treasury Bills and Notes, the municipal investment pool, or to make direct investments. The City's investment policy authorizes the purchases of U.S. Treasury securities, certificates of deposit, and temporary notes. The Library held no investments at December 31, 2021.

Concentrations of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk-Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2021, the City's investments were not exposed to custodial credit risk.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

At December 31, 2021, the City's deposit and investment balances were as follows:

	Carrying Amount		
	City	Component Unit - Public Library	Total
Cash and cash equivalents	\$ 29,104,092	\$ 685,797	\$ 29,789,889
Restricted cash and cash equivalents	704,628	-	704,628
	<u>\$ 29,808,720</u>	<u>\$ 685,797</u>	<u>\$ 30,494,517</u>

6 - Loans Receivable

Loans receivable, aggregating \$ 2,762,104 at December 31, 2021, 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

A noncancellable operating revenue lease for City land and buildings expires in 2027. The lease contains renewal options for periods ranging from five to ten years and require the lessee to pay all executory costs (property tax, maintenance and insurance). For the year ended December 31, 2021, rental income related to this lease was \$ 48,421. Future minimum lease income is as follows:

2022	\$ 57,452
2023	57,452
2024	57,452
2025	57,452
2026	57,452
2027	9,575
	<u>\$ 296,835</u>

The asset cost of the building the City leases is \$ 693,275, with accumulated depreciation of \$ 415,964 resulting in net carrying value of \$ 277,311 at December 31, 2021.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	Balance at 12/31/2020	Increase	Decrease	Balance at 12/31/2021
Primary Government				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,566,486	\$ 1,200,531	\$ -	\$ 4,767,017
Construction in progress	365,098	1,544,213	(299,652)	1,609,659
Total capital assets not being depreciated	3,931,584	2,744,744	(299,652)	6,376,676
Capital assets, being depreciated:				
Building and improvements	39,532,751	299,652	-	39,832,403
Machinery and equipment	14,262,093	463,399	(405,327)	14,320,165
Infrastructure	47,962,011	412,876	-	48,374,887
Total capital assets being depreciated	101,756,855	1,175,927	(405,327)	102,527,455
Less accumulated depreciation for:				
Building and improvements	22,443,818	995,910	-	23,439,728
Machinery and equipment	9,566,808	852,555	(405,327)	10,014,036
Infrastructure	21,818,769	1,695,461	-	23,514,230
Total accumulated depreciation	53,829,395	3,543,926	(405,327)	56,967,994
Total capital assets being depreciated, net	47,927,460	(2,367,999)	-	45,559,461
Governmental activities capital assets, net	\$ 51,859,044	\$ 376,745	\$ (299,652)	\$ 51,936,137

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

	Balance at 12/31/2020	Increase	Decrease	Balance at 12/31/2021
Primary Government				
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 582,812	\$ -	\$ -	\$ 582,812
Construction in progress	406,570	984,200	-	1,390,770
Total capital assets not being depreciated	989,382	984,200	-	1,973,582
Capital assets, being depreciated:				
Building and improvements	30,496,158	-	-	30,496,158
Machinery and equipment	7,126,347	783,047	(156,973)	7,752,421
Infrastructure	49,948,140	415,085	-	50,363,225
Total capital assets being depreciated	87,570,645	1,198,132	(156,973)	88,611,804
Less accumulated depreciation for:				
Building and improvements	14,158,187	641,723	-	14,799,910
Machinery and equipment	4,124,525	573,387	(156,973)	4,540,939
Infrastructure	19,636,929	1,148,769	-	20,785,698
Total accumulated depreciation	37,919,641	2,363,879	(156,973)	40,126,547
Total capital assets being depreciated, net	49,651,004	(1,165,747)	-	48,485,257
Business-type activities capital assets, net	\$ 50,640,386	\$ (181,547)	\$ -	\$ 50,458,839

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

Governmental activities:	
General government	\$ 74,139
Public safety	889,503
Public works	1,451,886
Sanitation and health	837
Industrial promotion	44,425
Culture and recreation	1,081,003
Social welfare	2,133
Total depreciation expense - governmental activities	\$ 3,543,926

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Business-type activities:	
Water/wastewater	\$ 2,172,993
Stormwater	190,886
	<hr/>
Total depreciation expense - business-type activities	\$ 2,363,879
	<hr/> <hr/>

Capital asset activity for the Public Library component unit for the year ended December 31, 2021 was as follows:

	Balance at 12/31/2020	Increase	Decrease	Balance at 12/31/2021
Capital assets, not being depreciated				
Land	\$ 215,415	\$ -	\$ -	\$ 215,415
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets not being depreciated	215,415	-	-	215,415
	<hr/>	<hr/>	<hr/>	<hr/>
Capital assets, being depreciated:				
Building and improvements	3,643,808	-	-	3,643,808
Machinery and equipment	139,706	35,560	(33,071)	142,195
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated	3,783,514	35,560	(33,071)	3,786,003
	<hr/>	<hr/>	<hr/>	<hr/>
Less accumulated depreciation for:				
Building and improvements	1,743,803	75,371	-	1,819,174
Machinery and equipment	103,567	35,644	(33,071)	106,140
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	1,847,370	111,015	(33,071)	1,925,314
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated, net	1,936,144	(75,455)	-	1,860,689
	<hr/>	<hr/>	<hr/>	<hr/>
Business-type activities capital assets, net	\$ 2,151,559	\$ (75,455)	\$ -	\$ 2,076,104
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2021 for capital projects compared to the amount authorized:

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

	Costs to Date	Amount Authorized
General government:		
General	\$ 272,693	\$ 1,100,000
Airport projects	81,740	194,500
Parks and recreation projects	505,947	597,502
Road and bridge projects	4,822,061	8,225,521
Wastewater	1,175,011	2,474,851
	<u>\$ 6,857,452</u>	<u>\$ 12,592,374</u>

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, 2021 are comprised of the following issues:

General Obligation Bonds	Interest Rates	Original Issue	Final Maturity Date	Principal Payments During 2021	Outstanding December 31, 2021
Governmental activities:					
Series 2012-A	1.00% to 2.00%	\$ 855,000	2022	\$ 90,000	\$ 95,000
Series 2013-A	0.70% to 2.15%	1,420,000	2023	155,000	240,000
Series 2014-A	1.50% to 2.65%	3,398,395	2025	342,895	1,259,545
Series 2016-A	2.00%	5,000,000	2031	315,000	3,485,000
Series 2019-A	2.30% to 5.00%	2,100,000	2029	180,000	1,755,000
				<u>1,082,895</u>	<u>6,834,545</u>
Business-type activities:					
Series 2014-A	1.50% to 2.65%	1,606,605	2025	162,105	595,455
Series 2015-A	3.00%	6,370,000	2030	515,000	3,525,000
				<u>677,105</u>	<u>4,120,455</u>
				<u>\$ 1,760,000</u>	<u>\$ 10,955,000</u>
Special assessment bonds:					
Governmental activities:					
Series 2016-B	2.00% to 3.25%	6,500,000	2037	<u>\$ 275,000</u>	<u>\$ 5,430,000</u>

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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

General Obligation Bonds	Installment Range	
	Low	High
Governmental activities:		
Series 2012-A	\$ 95,000	\$ 95,000
Series 2013-A	80,000	160,000
Series 2014-A	176,540	373,450
Series 2016-A	320,000	385,000
Series 2019-A	190,000	250,000
Business-type activities:		
Series 2014-A	83,460	176,550
Series 2015-A	320,000	550,000
Special assessment bonds:		
Governmental activities:		
Series 2016-B	280,000	420,000

The future annual requirements for general obligation bonds outstanding as of December 31, 2021 are as follows:

Year	General Obligation Bonds				Special Assessment Bonds	
	Governmental Activities		Business-type Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,118,080	\$ 166,343	\$ 696,920	\$ 119,584	\$ 280,000	\$ 144,642
2023	961,475	138,548	718,525	100,179	285,000	139,042
2024	913,450	113,168	496,550	79,887	290,000	133,342
2025	726,540	86,918	413,460	65,962	295,000	127,542
2026	560,000	66,940	335,000	53,850	305,000	121,348
2027 - 2031	2,555,000	149,250	1,460,000	111,000	1,640,000	494,764
2032 - 2036	-	-	-	-	1,915,000	252,305
2037 - 2040	-	-	-	-	420,000	13,650
	<u>\$ 6,834,545</u>	<u>\$ 721,167</u>	<u>\$ 4,120,455</u>	<u>\$ 530,462</u>	<u>\$ 5,430,000</u>	<u>\$ 1,426,635</u>

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 \$ 727,990 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, 2021 are as follows:

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Year	Principal	Interest
2022	\$ 67,805	\$ 18,348
2023	69,737	16,586
2024	71,725	14,774
2025	73,769	12,911
2026	75,871	10,994
2027 - 2031	369,083	24,252
	\$ 727,990	\$ 97,865

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 \$ 1,325,183 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, 2021 are as follows:

Year	Principal	Interest
2022	\$ 222,740	\$ 33,256
2023	228,727	27,830
2024	234,874	22,257
2025	241,187	16,536
2026	247,670	10,660
2027 - 2031	149,985	4,626
	\$ 1,325,183	\$ 115,165

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 \$ 403,354 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, 2021 are as follows:

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Year	Principal	Interest
2022	\$ 25,479	\$ 8,496
2023	26,117	7,948
2024	26,771	7,385
2025	27,442	6,809
2026	28,130	6,218
2027 - 2031	151,580	21,694
2032 - 2036	117,835	5,105
	\$ 403,354	\$ 63,655

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, 2021, the City has drawn \$ 1,078,815 on this loan. The outstanding balance of \$ 1,078,815 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 2021 principal and interest for the revenue bonds was \$ 141,920 and the pledged revenues recognized for 2021 was \$ 144,699. 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 future annual requirements for Transportation Development District Sales Tax Revenue bonds outstanding as of December 31, 2021 are as follows:

	Principal	Interest	Total
2022	\$ 85,000	\$ 29,160	\$ 114,160
2023	95,000	24,840	119,840
2024	100,000	20,160	120,160
2025	110,000	15,120	125,120
2026	205,000	13,200	218,200
	\$ 595,000	\$ 102,480	\$ 697,480

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

The bonds are subject to optional redemption provisions starting on April 1, 2016, and on any interest payment date thereafter, at par plus accrued interest. The term bonds maturing on April 1, 2027 are subject to mandatory redemption and payment prior to maturity pursuant to the requirements of a mandatory redemption schedule, at par plus accrued interest.

Special Obligation Tax Increment Revenue Bonds

In 2016, the City issued Special Obligation Tax Increment (TIF) Revenue bonds in the amount of \$ 6,310,000. The proceeds were used to finance certain redevelopment costs in connection with the North Broadway Redevelopment – Pittsburg Town Center Project. An incremental increase in ad valorem tax revenues and certain sales tax revenues from the redevelopment district will be used to retire the bonds. The property and sales tax collected has been pledged, in the amount of \$ 9,970,784, to retire the bonds through the maturity date of April 1, 2024. The percent of the sales tax pledged is 100%. The 2021 principal and interest for the revenue bonds was \$ 699,848 and the pledged revenues recognized for 2021 was \$ 724,874. The bonds are considered a special, limited obligation of the City, secured by a pledge of and lien on the incremental increase in ad valorem tax and certain sales tax revenues. The bonds are not a general obligation of the City nor do they go against the City's debt limit.

The future annual requirements for TIF Revenue bonds outstanding as of December 31, 2021 are as follows:

	Principal	Interest	Total
2022	\$ 530,000	\$ 49,735	\$ 579,735
2023	565,000	22,907	587,907
2024	55,000	4,532	59,532
	<u>\$ 1,150,000</u>	<u>\$ 77,174</u>	<u>\$ 1,227,174</u>

The bonds are subject to optional redemption provisions starting on April 1, 2016 and on any interest payment date thereafter, at par plus accrued interest. The term bonds maturing on April 1, 2016 and April 1, 2024 are subject to mandatory redemption and payment prior to maturity pursuant to the requirements of a mandatory redemption schedule, at par plus accrued interest.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 7,917,440	\$ -	\$ 1,082,895	\$ 6,834,545	\$ 1,118,080
Less bond discount	(22,014)	-	(7,338)	(14,676)	-
Plus bond premium	220,054	-	27,695	192,359	-
Net general obligation bonds	8,115,480	-	1,103,252	7,012,228	1,118,080
Special assessment bonds	5,705,000	-	275,000	5,430,000	280,000
Plus bond premium	31,374	-	1,961	29,413	-
Net special assessment bonds	5,736,374	-	276,961	5,459,413	280,000
Transportation development district sales tax revenue bonds - direct borrowing	705,000	-	110,000	595,000	85,000
Special obligation tax increment revenue bonds - direct borrowing	1,775,000	-	625,000	1,150,000	530,000
Capital leases payable - direct borrowing	1,882,033	116,495	574,295	1,424,233	583,883
Total OPEB liability	1,087,074	21,513	-	1,108,587	-
Total OPEB liability - KPERS	114,317	-	2,553	111,764	-
Net pension liability	13,763,631	-	3,733,377	10,030,254	-
Compensated absences	683,388	774,771	807,294	650,865	780,200
	20,010,443	912,779	5,852,519	15,070,703	1,979,083
Governmental activities long-term liabilities	\$ 33,862,297	\$ 912,779	\$ 7,232,732	\$ 27,542,344	\$ 3,377,163

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 4,797,560	\$ -	\$ 677,105	\$ 4,120,455	\$ 696,920
Plus bond premium	241,336	-	24,133	217,203	-
Net general obligation bonds	5,038,896	-	701,238	4,337,658	696,920
Construction loans payable - direct borrowing	2,748,386	1,078,815	291,859	3,535,342	316,024
Capital leases payable - direct borrowing	671,344	-	190,742	480,602	194,485
Total OPEB liability	239,210	4,355	-	243,565	-
Total OPEB liability - KPERS	22,783	-	998	21,785	-
Net pension liability	1,005,211	-	519,631	485,580	-
Compensated absences	151,939	163,260	159,184	156,015	156,015
Business-type activity long- term liabilities	<u>\$ 9,877,769</u>	<u>\$ 1,246,430</u>	<u>\$ 1,863,652</u>	<u>\$ 9,260,547</u>	<u>\$ 1,363,444</u>
Component unit activities:					
Total OPEB liability	\$ 49,762	\$ 1,389	\$ -	\$ 51,151	\$ -
Total OPEB liability - KPERS	10,353	-	253	10,100	-
Net pension liability	403,367	-	131,194	272,173	-
Compensated absences	43,169	27,497	27,308	43,358	21,269
Component unit activity long-term liabilities	<u>\$ 506,651</u>	<u>\$ 28,886</u>	<u>\$ 158,755</u>	<u>\$ 376,782</u>	<u>\$ 21,269</u>

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, 2021, Industrial Revenue Bonds outstanding had an aggregate principal amount payable of \$ 17,437,179.

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Capital Lease Agreements

The City entered into various capital lease agreements for the acquisition of certain equipment in the amount of \$ 4,111,819. The annual debt service requirements to service the outstanding capital leases payable at December 31, 2021 are as follows:

Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 583,883	\$ 27,956	\$ 194,485	\$ 9,261
2023	549,057	17,688	198,317	5,430
2024	267,641	11,429	87,800	1,508
2025	23,652	364	-	-
	<u>\$ 1,424,233</u>	<u>\$ 57,437</u>	<u>\$ 480,602</u>	<u>\$ 16,199</u>

11 - Bond Anticipation Notes Payable

During the year, the City issued bond anticipation notes to fund City improvements.

Bond anticipation note activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Bond anticipation notes:				
Governmental activities	<u>\$ 819,000</u>	<u>\$ 3,590,000</u>	<u>\$ 819,000</u>	<u>\$ 3,590,000</u>
Issue	Amount		Interest Rate	Maturity
Series 2021-1	\$ 3,590,000		1.5%	6/1/2022

Bond anticipation notes for governmental activities for which all legal steps and the ability to consummate refinancing have been met are reported as an other financing source in the fund receiving proceeds. Bond anticipation note Series 2021-1 is reported as an other financing source on the governmental funds balance sheet as of December 31, 2021.

12 - 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

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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.

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(Continued)

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, 2021.

The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for KPERS and 22.80% for KP&F for the year ended December 31, 2021. Contributions to the Pension Plan from the City were \$ 573,389 for KPERS and \$ 903,465 for KP&F for the year ended December 31, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City reported a liability of \$ 10,515,834 and the Library reported a liability of \$ 272,173 for their proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2021, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021.

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NOTES TO BASIC FINANCIAL STATEMENTS
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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, 2021. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2021 the City's proportion for KPERS was .342%, which was a decrease of .009% from its proportion measured as of June 30, 2020. At June 30, 2021, the City's proportion for KP&F was .700%, which was a decrease of .037% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the City recognized pension expense of \$ 318,563 for KPERS and \$ 799,675 for KP&F. The Library's portion of the KPERS pension expense was \$ 1,036. At December 31, 2021, 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	\$ 678,093	\$ 34,770
Net difference between projected and actual earnings on pension plan investments	-	3,115,695
Changes in assumptions	1,603,127	-
Changes in proportionate share	10,442	663,262
Contributions subsequent to measurement date	728,400	-
Total	<u>\$ 3,020,062</u>	<u>\$ 3,813,727</u>

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(Continued)

	Library	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,099	\$ 2,440
Net difference between projected and actual earnings on pension plan investments	-	95,700
Changes in assumptions	55,354	-
Changes in proportionate share	767	8,503
Contributions subsequent to measurement date	19,800	-
Total	<u>\$ 87,020</u>	<u>\$ 106,643</u>

The \$ 728,400 for the City and the \$ 19,800 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, 2022. 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
2022	\$ (223,053)	\$ (5,703)
2023	(235,276)	(5,484)
2024	(298,047)	(7,335)
2025	(813,216)	(22,399)
2026	47,527	1,498
Total	<u>\$ (1,522,065)</u>	<u>\$ (39,423)</u>

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2020 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 12.00 percent
Long-term rate of return net of investment expense, and including price inflation	7.25 percent

Mortality rates were based on the RP-2014 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-2016.

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(Continued)

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study which covered the three-year period of January 1, 2016 through December 31, 2018. The experience study is dated January 7, 2020.

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 7, 2020 are summarized in the following table:

Asset Class	Long-Term Target Allocation	Long-Term Expected Rate of Return
U.S. Equities	23.5%	5.20%
Non-U.S. Equities	23.5%	6.40%
Private Equity	8%	9.50%
Private Real Estate	11%	4.45%
Yield Driven	8%	4.70%
Real Return	11%	3.25%
Fixed Income	11%	1.55%
Short-term investments	4%	0.25%
Total	100%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.25%. 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 7.25%, as well as what the proportionate share of the collective

CITY OF PITTSBURG, KANSAS
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net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	City		
	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
KPERS	\$ 6,312,348	\$ 3,837,401	\$ 1,762,064
KP&F	10,023,688	6,678,433	3,880,125
Total	<u>\$ 16,336,036</u>	<u>\$ 10,515,834</u>	<u>\$ 5,642,189</u>

	Library		
	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
KPERS	<u>\$ 447,502</u>	<u>\$ 272,173</u>	<u>\$ 124,918</u>

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

13 - 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 approximately 85 percent of the blended premium cost of 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 2021, the City did not contribute to the Plan.

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At December 31, 2021, Plan membership consisted of the following:

Active employees	194
Retirees and covered spouses	8
	<u>202</u>

The total OPEB liability was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2020. Changes in the total OPEB liability are as follows:

	City	Library	Total
Balance at 1/1/2021	\$ 1,326,284	\$ 49,762	\$ 1,376,046
Service cost	98,916	5,311	104,227
Interest	26,954	1,447	28,401
Benefit payments	(16,610)	(892)	(17,502)
Changes in assumptions	(47,737)	(2,563)	(50,300)
Differences between expected and actual experience	(35,655)	(1,914)	(37,569)
Balance at 12/31/2021	<u>\$ 1,352,152</u>	<u>\$ 51,151</u>	<u>\$ 1,403,303</u>

The total OPEB liability in the December 31, 2020 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, 2020
Actuarial cost method	Entry age normal as a level percentage of payroll
Inflation rate	2.50%
Salary increases	2.75%
Discount rate	2.25%
Healthcare cost trend rates	8% for 2020, decreasing 0.50% per year to an ultimate rate of 4.50% for 2027 and later years
Current rate	7.50%
Ultimate rate	4.50%
Year ultimate rate is reached	2027

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 RP 2014 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-2016.

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

1. Discount rate was increased from 1.93% to 2.25%.

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:

	City		
	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB liability - City	\$ 1,509,291	\$ 1,352,152	\$ 1,211,327
Total OPEB liability - Library	57,095	51,151	45,824

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:

	Healthcare		
	1% Decrease	Cost Trend Rates	1% Increase
Total OPEB liability - City	\$ 1,152,951	\$ 1,352,152	\$ 1,595,230
Total OPEB liability - Library	43,615	51,151	60,346

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$ 45,444. At December 31, 2021, 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	\$ 41,922	\$ 106,685	\$ 2,013	\$ 5,553
Differences between expected and actual experience	-	496,868	-	25,860
	<u>\$ 41,922</u>	<u>\$ 603,553</u>	<u>\$ 2,013</u>	<u>\$ 31,413</u>

CITY OF PITTSBURG, KANSAS
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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
2022	\$ (82,847)	\$ (4,337)
2023	(82,847)	(4,337)
2024	(82,847)	(4,337)
2025	(82,847)	(4,337)
2026	(82,847)	(4,337)
Thereafter	(147,396)	(7,715)
Total	<u>\$ (561,631)</u>	<u>\$ (29,400)</u>

Disability Benefits and Life Insurance

The City and the Library participate in an agent multiple-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, 2021 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.

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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, 2020, the following employees were covered by the benefit terms.

Active employees	145
Disabled members	-
	<u>145</u>

The total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation performed as of December 31, 2020.

	City	Library	Total
Balances at 1/1/2021	\$ 137,100	\$ 10,353	\$ 147,453
Service cost	26,004	1,846	27,850
Interest	3,617	257	3,874
Effect of economic/demographic gains or losses	(33,409)	(2,371)	(35,780)
Changes of assumptions/methodology	237	15	252
	<u>\$ 133,549</u>	<u>\$ 10,100</u>	<u>\$ 143,649</u>
Balances at 12/31/2021			

The total OPEB liability in the December 31, 2020 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, 2020
Actuarial cost method	Entry age normal
Inflation rate	2.75%
Salary increases	3.50% (composed of 2.75% inflation and .75% productivity)
	4.00% long-term growth for actuarial valuation. 3.00% near-term growth for cashflow projections
Payroll growth	
Discount rate	2.16%
Mortality rates	Local Males: 90% of RP-2014 M Total Dataset +2 Local Females: 90% of RP-2014 F Total Dataset +1 Generational mortality improvements were projected for future years using MP-2021

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016 through December 31, 2018.

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.
2. The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability - City	\$ 137,783	\$ 133,549	\$ 128,503
Total OPEB liability - Library	10,421	10,100	9,719

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	\$ 133,549	\$ 133,549	\$ 133,549
Total OPEB liability - Library	10,100	10,100	10,100

For the year ended December 31, 2021, the City recognized OPEB expense of \$ 20,698. At December 31, 2021, 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	\$ -	\$ 81,484	\$ -	\$ 6,174
Changes in assumptions	9,361	2,929	858	222
	<u>\$ 9,361</u>	<u>\$ 84,413</u>	<u>\$ 858</u>	<u>\$ 6,396</u>

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

Year Ended June 30,	City	Library
2022	\$ (10,268)	\$ (758)
2023	(10,268)	(758)
2024	(10,268)	(758)
2025	(10,268)	(758)
2026	(10,133)	(748)
Thereafter	(23,847)	(1,758)
Total	<u>\$ (75,052)</u>	<u>\$ (5,538)</u>

Aggregate Other Postemployment Healthcare Benefit Information

The aggregate amount of OPEB expenses for the two OPEB plans for the year ended December 31, 2021 was \$ 66,142 for the City.

	Balances at December 31, 2021		
	Health Insurance	Disability Benefits and Life Insurance	Total
City:			
Total OPEB liability	\$ 1,352,152	\$ 133,549	\$ 1,485,701
Total deferred outflows of resources	41,922	9,361	51,283
Total deferred inflows of resources	603,553	84,413	687,966
Library:			
Total OPEB liability	51,151	10,100	61,251
Total deferred outflows of resources	2,013	858	2,871
Total deferred inflows of resources	31,413	6,396	37,809

14 - 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

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NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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 \$ 15,044 reported at December 31, 2021 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, 2021 and 2020 are as follows:

	2021	2020
Unpaid claims, January 1	\$ 5,889	\$ 18,937
Incurred claims (including IBNRs)	1,229,014	1,235,285
Claim payments	(1,219,859)	(1,248,333)
Unpaid claims, December 31	<u>\$ 15,044</u>	<u>\$ 5,889</u>

15 - Interfund Transfers

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, 2021, consisted of the following:

Fund	Transfers In	Transfers Out
Major governmental funds:		
General	\$ 1,700,332	\$ 385,455
Capital projects	85,455	382,000
Debt service	382,000	-
Street and highway	300,000	-
Nonmajor governmental funds	-	100,332
Major proprietary funds:		
Water/wastewater	-	1,600,000
	<u>\$ 2,467,787</u>	<u>\$ 2,467,787</u>

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.

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

16 - 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, 2021, the City's encumbrances were recorded as follows:

General fund	\$ 274,988
Street and highway fund	770,133
Water/wastewater fund	312,890
Stormwater fund	78,945
Public library	<u>136,420</u>
Total encumbrances	<u><u>\$ 1,573,376</u></u>

17 - 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.

18 - Tax Abatements

The City negotiates property tax abatement agreements on an individual basis. The City has tax abatement agreements with five entities as of December 31, 2021:

<u>Entity</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>
Millers, Inc.	\$ 135,037
E & J Investment, LLC	16,089
La Quinta Inn & Suites	60,265
Kendall Packaging Corporation	28,710
Pinamonti Physical Therapy, PA	<u>45,456</u>
Total	<u><u>\$ 285,557</u></u>

The Millers, Inc. and E & J Investments, LLC 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

CITY OF PITTSBURG, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

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 Pinamonti Physical Therapy, PA, La Quinta Inn & Suites and Kendall Packaging Corporation 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.

19 - Subsequent Events

The City has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements are available to be issued.

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 Seven Fiscal Years¹

	2021	2020	2019	2018	2017	2016	2015
City's proportion of the collective net pension liability:							
KPERS	0.342%	0.351%	0.353%	0.352%	0.357%	0.349%	0.355%
KP&F	0.700%	0.737%	0.750%	0.777%	0.819%	0.822%	0.799%
City's proportionate share of the collective net pension liability	\$ 10,788,007	\$ 15,172,209	\$ 12,527,470	\$ 12,387,128	\$ 12,849,413	\$ 13,043,469	\$ 10,471,737
City's covered payroll	\$ 10,306,272	\$ 10,580,091	\$ 10,518,770	\$ 10,127,727	\$ 9,954,433	\$ 10,133,030	\$ 9,337,999
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	105%	143%	119%	122%	129%	129%	112%
Plan fiduciary net position as a percentage of the total pension liability	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

¹ GASB 68 requires presentation of 10 years. Data was not available prior to fiscal year 2015.

CITY OF PITTSBURG, KANSAS
Schedule of the City's Contributions
Kansas Public Employees Retirement System
Last Seven Fiscal Years¹

	2021	2020	2019	2018	2017	2016	2015
KPERS contractually required contribution	\$ 573,389	\$ 552,871	\$ 586,773	\$ 533,338	\$ 525,818	\$ 552,205	\$ 583,953
KP&F contractually required contribution	903,465	861,851	911,891	795,471	744,524	893,395	959,523
Contributions in relation to the contractually required contribution	<u>(1,476,854)</u>	<u>(1,414,722)</u>	<u>(1,498,664)</u>	<u>(1,328,809)</u>	<u>(1,270,342)</u>	<u>(1,445,600)</u>	<u>(1,543,476)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$10,425,041	\$10,351,298	\$10,720,980	\$10,316,358	\$10,127,727	\$ 9,954,433	\$10,133,030
Contributions as a percentage of covered payroll	14.17%	13.67%	13.98%	12.88%	12.54%	14.52%	15.23%

¹ GASB 68 requires presentation of ten years. Required information was not available prior to fiscal year 2015; therefore, ten years of data is unavailable.

CITY OF PITTSBURG, KANSAS
Schedule of Changes in the City's Total
OPEB Liability and Related Ratios
Last Five Fiscal Years¹

	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)
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	<u>\$ 1,403,303</u>	<u>\$ 1,376,046</u>	<u>\$ 1,515,833</u>	<u>\$ 1,903,818</u>	<u>\$ 1,784,250</u>
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.

CITY OF PITTSBURG, KANSAS
Schedule of Changes in the City's Total OPEB Liability and Related Ratios - KPERS
Last Four Fiscal Years¹

	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	<u>\$ 143,649</u>	<u>\$ 147,453</u>	<u>\$ 134,663</u>	<u>\$ 130,200</u>
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%

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

OTHER SUPPLEMENTARY INFORMATION

**COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES**

GOVERNMENTAL FUNDS

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 Coronavirus Response Fund – to account for supplemental funding made available by the CARES Act through the Community Development Block Grant (CDBG) from the Department of Housing and Urban Development.

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 – This fund was created 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.

COVID Spark Fund – to account for Coronavirus Relief Fund (CRF) monies distributed by the State of Kansas through Crawford County to address medical or public health needs related to the pandemic.

American Rescue Plan Fund - to account American Rescue Plan Act (ARPA) monies distributed by the State of Kansas to address medical or public health needs related to the pandemic.

CITY OF PITTSBURG, KANSAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

	Special Revenue					
	Special Parks and Recreation	Special Alcohol and Drug	PHA/ Presbyterian Church Housing	Section 8	Community Development Block Grant	CDBG Coronavirus Response
<u>ASSETS</u>						
Cash and cash equivalents	\$ -	\$ 48,366	\$ 546,076	\$ 179,235	\$ 16,530	\$ -
Receivables (net of allowance for uncollectibles):						
Taxes	-	-	-	-	-	-
Accounts	-	-	53,713	-	-	-
Intergovernmental	-	-	-	-	45,392	-
Loans receivable	-	-	38,439	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 48,366</u>	<u>\$ 638,228</u>	<u>\$ 179,235</u>	<u>\$ 61,922</u>	<u>\$ -</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ -	\$ 820	\$ -	\$ 508	\$ 20,563	\$ -
Accrued payroll	-	-	-	4,602	-	-
Unearned revenue	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>820</u>	<u>-</u>	<u>5,110</u>	<u>20,563</u>	<u>-</u>
Fund balances:						
Restricted:						
Housing	-	-	638,228	174,125	41,359	-
Other	-	47,546	-	-	-	-
Total fund balances	<u>-</u>	<u>47,546</u>	<u>638,228</u>	<u>174,125</u>	<u>41,359</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 48,366</u>	<u>\$ 638,228</u>	<u>\$ 179,235</u>	<u>\$ 61,922</u>	<u>\$ -</u>

(Continued)

CITY OF PITTSBURG, KANSAS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
(Continued)
December 31, 2021

	Special Revenue						
	CDBG TBRA Grants	Demolition	Land Bank	Northgate CID	COVID Spark	American Rescue Plan	Total Nonmajor Governmental Funds
<u>ASSETS</u>							
Cash and cash equivalents	\$ 7,567	\$ 118,240	\$ 25,101	\$ -	\$ 210	\$ 1,316,290	\$ 2,257,615
Receivables (net of allowance for uncollectibles):							
Taxes	-	-	-	23,312	-	-	23,312
Accounts	-	-	-	-	-	-	53,713
Intergovernmental	-	-	-	-	-	-	45,392
Loans receivable	-	-	-	-	-	-	38,439
Total assets	<u>\$ 7,567</u>	<u>\$ 118,240</u>	<u>\$ 25,101</u>	<u>\$ 23,312</u>	<u>\$ 210</u>	<u>\$ 1,316,290</u>	<u>\$ 2,418,471</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,891
Accrued payroll	-	-	-	-	-	-	4,602
Unearned revenue	7,567	-	-	-	-	1,316,290	1,323,857
Other	-	-	-	23,312	-	-	23,312
Total liabilities	<u>7,567</u>	<u>-</u>	<u>-</u>	<u>23,312</u>	<u>-</u>	<u>1,316,290</u>	<u>1,373,662</u>
Fund balances:							
Restricted:							
Housing	-	-	-	-	-	-	853,712
Other	-	118,240	25,101	-	210	-	191,097
Total fund balances	<u>-</u>	<u>118,240</u>	<u>25,101</u>	<u>-</u>	<u>210</u>	<u>-</u>	<u>1,044,809</u>
Total liabilities and fund balances	<u>\$ 7,567</u>	<u>\$ 118,240</u>	<u>\$ 25,101</u>	<u>\$ 23,312</u>	<u>\$ 210</u>	<u>\$ 1,316,290</u>	<u>\$ 2,418,471</u>

CITY OF PITTSBURG, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	Special Revenue					
	Special Parks and Recreation	Special Alcohol and Drug	PHA/ Presbyterian Church Housing	Section 8	Community Development Block Grant	CDBG Coronavirus Response
Revenues:						
Intergovernmental	\$ 100,332	\$ 100,332	\$ -	\$ 1,777,016	\$ 249,473	\$ 13,443
Investment earnings	-	-	963	58	-	-
Miscellaneous	-	-	-	8,135	-	-
Total revenues	100,332	100,332	963	1,785,209	249,473	13,443
Expenditures:						
Current:						
Sanitation and health	-	91,776	-	-	-	-
Economic development	-	-	-	-	-	-
Social welfare	-	-	21	1,653,980	222,814	13,443
Industrial promotion	-	-	-	-	-	-
Capital outlay	-	-	-	3,999	-	-
Total expenditures	-	91,776	21	1,657,979	222,814	13,443
Excess (deficiency) of revenues over (under) expenditures	100,332	8,556	942	127,230	26,659	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(100,332)	-	-	-	-	-
Total other financing sources (uses)	(100,332)	-	-	-	-	-
Net change in fund balances	-	8,556	942	127,230	26,659	-
Fund balances, beginning of year	-	38,990	637,286	46,895	14,700	-
Fund balances, end of year	\$ -	\$ 47,546	\$ 638,228	\$ 174,125	\$ 41,359	\$ -

(Continued)

CITY OF PITTSBURG, KANSAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NONMAJOR GOVERNMENTAL FUNDS
 (Continued)
 Year Ended December 31, 2021

	Special Revenue						Total Nonmajor Governmental Funds
	CDBG TBRA Grants	Demolition	Land Bank	Northgate CID	COVID Spark	American Rescue Plan	
Revenues:							
Intergovernmental	\$ 67,620	\$ -	\$ -	\$ -	\$ -	\$ 213,617	\$ 2,521,833
Investment earnings	-	-	-	-	-	-	1,021
Miscellaneous	-	5,400	22,980	-	-	-	36,515
Total revenues	67,620	5,400	22,980	-	-	213,617	2,559,369
Expenditures:							
Current:							
Sanitation and health	-	-	-	-	-	-	91,776
Economic development	-	-	33,750	-	-	-	33,750
Social welfare	69,198	-	-	-	5,755	-	1,965,211
Industrial promotion	-	-	-	-	-	213,617	213,617
Capital outlay	-	17,974	-	-	-	-	21,973
Total expenditures	69,198	17,974	33,750	-	5,755	213,617	2,326,327
Excess (deficiency) of revenues over (under) expenditures	(1,578)	(12,574)	(10,770)	-	(5,755)	-	233,042
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(100,332)
Total other financing sources (uses)	-	-	-	-	-	-	(100,332)
Net change in fund balances	(1,578)	(12,574)	(10,770)	-	(5,755)	-	132,710
Fund balances, beginning of year	1,578	130,814	35,871	-	5,965	-	912,099
Fund balances, end of year	\$ -	\$ 118,240	\$ 25,101	\$ -	\$ 210	\$ -	\$ 1,044,809

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, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 100,332	\$ (9,668)
Total revenues	110,000	110,000	100,332	(9,668)
Other financing sources:				
Transfer out	110,000	110,000	(100,332)	9,668
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 100,332	\$ (9,668)
	110,000	110,000	100,332	(9,668)
Expenditures:				
Administration	80,500	80,500	80,500	-
Police D.A.R.E.	19,850	19,850	11,276	8,574
Operating reserves	22,554	22,554	-	22,554
Total expenditures	122,904	122,904	91,776	31,128
Net change in fund balance	(12,904)	(12,904)	8,556	21,460
Fund balance, beginning of year	12,904	12,904	38,990	26,086
Fund balance, end of year	\$ -	\$ -	\$ 47,546	\$ 47,546

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, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,520,000	\$ 1,669,620	\$ 1,636,948	\$ (32,672)
Investment earnings	100	100	58	(42)
Miscellaneous	3,500	3,500	4,068	568
	<u>1,523,600</u>	<u>1,673,220</u>	<u>1,641,074</u>	<u>(32,146)</u>
Expenditures:				
Personnel services	155,177	155,177	158,468	(3,291)
Contractual services	1,362,823	1,512,443	1,479,860	32,583
Commodities	8,355	8,355	11,573	(3,218)
Operating reserves	4,025	4,025	-	4,025
	<u>1,530,380</u>	<u>1,680,000</u>	<u>1,649,901</u>	<u>30,099</u>
Total expenditures				
	<u>1,530,380</u>	<u>1,680,000</u>	<u>1,649,901</u>	<u>30,099</u>
Net change in fund balance	(6,780)	(6,780)	(8,827)	(2,047)
Fund balance, beginning of year	6,780	6,780	50,807	44,027
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,980</u>	<u>\$ 41,980</u>

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, 2021

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,241,007	\$ 1,241,007	\$ 1,204,504	\$ (36,503)
Special assessments	430,000	430,000	455,698	25,698
Investment earnings	3,000	3,000	1,261	(1,739)
	<u>1,674,007</u>	<u>1,674,007</u>	<u>1,661,463</u>	<u>(12,544)</u>
Expenditures:				
Principal	2,909,305	2,909,305	3,061,859	(152,554)
Interest	673,015	673,015	667,375	5,640
Operating reserves	975,973	975,973	-	975,973
	<u>4,558,293</u>	<u>4,558,293</u>	<u>3,729,234</u>	<u>829,059</u>
Excess (deficiency) of revenues over (under) expenditures	(2,884,286)	(2,884,286)	(2,067,771)	816,515
Other financing sources:				
Transfers in	<u>1,871,045</u>	<u>1,871,045</u>	<u>2,405,060</u>	<u>534,015</u>
Net change in fund balance	(1,013,241)	(1,013,241)	337,289	1,350,530
Fund balance, beginning of year	<u>1,013,241</u>	<u>1,013,241</u>	<u>1,087,511</u>	<u>74,270</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,424,800</u>	<u>\$ 1,424,800</u>

CITY OF PITTSBURG, KANSAS
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
December 31, 2021

ASSETS

Cash and cash equivalents	\$ 685,797
Taxes receivable	818,333
Prepaid items	<u>5,981</u>
Total assets	<u><u>\$ 1,510,111</u></u>

LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND FUND BALANCES

Liabilities:	
Accounts payable	\$ 1,078
Accrued payroll	<u>19,625</u>
Total liabilities	<u>20,703</u>
Deferred inflows of resources:	
Deferred inflow - property taxes	<u>818,333</u>
Fund balances:	
Nonspendable:	
Not in spendable form	5,981
Assigned	<u>665,094</u>
Total fund balances	<u>671,075</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,510,111</u></u>

CITY OF PITTSBURG, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNIT
Year Ended December 31, 2021

Revenues:	
Taxes	\$ 905,069
Fines and fees	2,706
Investment earnings	638
Miscellaneous	<u>158,940</u>
Total revenues	<u>1,067,353</u>
Expenditures:	
Current:	
Education	<u>1,133,657</u>
Total expenditures	<u>1,133,657</u>
Net change in fund balances	(66,304)
Fund balances, beginning of year	<u>737,379</u>
Fund balances, end of year	<u><u>\$ 671,075</u></u>

CITY OF PITTSBURG, KANSAS
SCHEDULE OF FINANCIAL DATA - ASSETS AND LIABILITIES -
PITTSBURG HOUSING AUTHORITY
December 31, 2021

Line Item	Account Description	Section 8 Housing Choice Voucher Program 14.871	EHV CARES Act Funding 14.EHV	Total
	Assets:			
	Current assets:			
	Cash:			
111	Cash - unrestricted	\$ 42,487	\$ 62,278	\$ 104,765
113	Cash - other restricted	74,470	-	74,470
100	Total cash	116,957	62,278	179,235
150	Total current assets	116,957	62,278	179,235
	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	\$ 117,957	\$ 62,278	\$ 180,235
	Liabilities and net assets:			
	Liabilities:			
	Current liabilities:			
312	Accounts payable <= 90 days	\$ 508	\$ -	\$ 508
321	Accrued wage/payroll taxes payable	4,602	-	4,602
310	Total current liabilities	5,110	-	5,110
300	Total liabilities	5,110	-	5,110
	Net assets:			
508	Invested in capital assets	1,000	-	1,000
511	Restricted net assets	143	62,278	62,421
512	Unrestricted net assets	111,704	-	111,704
513	Total net assets	112,847	62,278	175,125
600	Total liabilities and net assets	\$ 117,957	\$ 62,278	\$ 180,235

CITY OF PITTSBURG, KANSAS
SCHEDULE OF FINANCIAL DATA - REVENUES AND EXPENSES -
PITTSBURG HOUSING AUTHORITY
Year Ended December 31, 2021

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	\$ 1,711,275	\$ -	\$1,711,275
70800	Other government grants	-	65,598	65,598
71100	Investment income - unrestricted	58	-	58
71400-010	Fraud recovery - housing assistance payment	8,136	-	8,136
70000	Total revenues	1,719,469	65,598	1,785,067
Expenses:				
Administrative:				
91100	Administrative salaries	124,591	-	124,591
91500	Employee benefit contributions - administrative	34,567	-	34,567
91600	Office expenses	17,511	-	17,511
91800	Travel	2,279	-	2,279
91900	Other	31,604	-	31,604
Ordinary maintenance and operation:				
94200	Materials and other	12,292	-	12,292
General expenses:				
96200	Other general expenses	1,889	-	1,889
96900	Total operating expenses	224,733	-	224,733
97000	Excess operating revenue over operating expenses	1,494,736	65,598	1,560,334
97300	Housing assistance payments	1,429,926	3,320	1,433,246
90000	Total expenses	1,654,659	3,320	1,657,979
10000	Excess of total revenue over total expenses	\$ 64,810	\$ 62,278	\$ 127,088
Memo account information:				
11030	Beginning equity	\$ 48,037	\$ -	\$ -
11190	Unit months available	3,580		
11210	Number of unit months leased	3,403		

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

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its most significant local revenue sources, the sales tax and water and wastewater revenues.

97 - 105

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

106 - 110

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.

111 - 112

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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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)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities					
Net investment in capital assets	\$ 21,432,517	\$ 23,765,245	\$ 28,739,435	\$ 34,093,008	\$ 36,171,156
Restricted	2,741,204	3,177,272	2,804,765	2,916,067	3,485,786
Unrestricted	<u>12,889,569</u>	<u>9,809,685</u>	<u>9,511,979</u>	<u>(1,028,149)</u>	<u>(587,544)</u>
Total governmental activities net position	<u>\$ 37,063,290</u>	<u>\$ 36,752,202</u>	<u>\$ 41,056,179</u>	<u>\$ 35,980,926</u>	<u>\$ 39,069,398</u>
Business-type activities					
Net investment in capital assets	\$ 29,302,925	\$ 29,959,386	\$ 30,210,876	\$ 32,890,346	\$ 33,201,935
Unrestricted	<u>3,625,356</u>	<u>2,981,447</u>	<u>3,112,516</u>	<u>2,135,910</u>	<u>2,917,487</u>
Total business-type activities net position	<u>\$ 32,928,281</u>	<u>\$ 32,940,833</u>	<u>\$ 33,323,392</u>	<u>\$ 35,026,256</u>	<u>\$ 36,119,422</u>
Primary government					
Net investment in capital assets	\$ 50,735,442	\$ 53,724,631	\$ 58,950,311	\$ 66,983,354	\$ 69,373,091
Restricted	2,741,204	3,177,272	2,804,765	2,916,067	3,485,786
Unrestricted	<u>16,514,925</u>	<u>12,791,132</u>	<u>12,624,495</u>	<u>1,107,761</u>	<u>2,329,943</u>
Total primary government net position	<u>\$ 69,991,571</u>	<u>\$ 69,693,035</u>	<u>\$ 74,379,571</u>	<u>\$ 71,007,182</u>	<u>\$ 75,188,820</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities					
Net investment in capital assets	\$ 32,140,844	\$ 33,767,698	\$ 32,858,544	\$ 33,645,157	\$ 32,705,263
Restricted	4,048,669	4,609,440	13,327,692	13,608,484	17,480,247
Unrestricted	<u>(1,428,617)</u>	<u>(1,848,201)</u>	<u>(561,335)</u>	<u>724,778</u>	<u>2,471,719</u>
Total governmental activities net position	<u>\$ 34,760,896</u>	<u>\$ 36,528,937</u>	<u>\$ 45,624,901</u>	<u>\$ 47,978,419</u>	<u>\$ 52,657,229</u>
Business-type activities					
Net investment in capital assets	\$ 40,291,436	\$ 41,007,984	\$ 41,212,874	\$ 42,181,760	\$ 42,105,237
Unrestricted	<u>3,407,022</u>	<u>3,738,156</u>	<u>4,674,500</u>	<u>4,644,082</u>	<u>6,119,834</u>
Total business-type activities net position	<u>\$ 43,698,458</u>	<u>\$ 44,746,140</u>	<u>\$ 45,887,374</u>	<u>\$ 46,825,842</u>	<u>\$ 48,225,071</u>
Primary government					
Net investment in capital assets	\$ 72,432,280	\$ 74,775,682	\$ 74,071,418	\$ 75,826,917	\$ 74,810,500
Restricted	4,048,669	4,609,440	13,327,692	13,608,484	17,480,247
Unrestricted	<u>1,978,405</u>	<u>1,889,955</u>	<u>4,113,165</u>	<u>5,368,860</u>	<u>8,591,553</u>
Total primary government net position	<u>\$ 78,459,354</u>	<u>\$ 81,275,077</u>	<u>\$ 91,512,275</u>	<u>\$ 94,804,261</u>	<u>\$ 100,882,300</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses					
Governmental activities:					
General government	\$ 3,491,546	\$ 3,667,028	\$ 3,671,547	\$ 3,642,682	\$ 3,898,821
Public safety	6,667,942	6,871,779	7,689,357	8,386,332	8,669,238
Public works	3,655,973	3,649,089	4,185,439	4,336,369	4,185,851
Sanitation and health	170,180	161,315	160,574	157,904	165,314
Culture and recreation	2,084,676	2,189,608	2,304,505	2,142,337	2,441,061
Industrial promotion	615,680	2,496,209	1,526,378	1,667,559	981,068
Economic development	36,187	137,119	70,061	87,670	35,878
Social welfare	1,506,020	1,620,300	1,482,944	1,760,555	1,803,091
Interest on long-term debt	<u>1,245,026</u>	<u>984,191</u>	<u>809,605</u>	<u>697,179</u>	<u>824,065</u>
Total governmental expenses	<u>19,473,230</u>	<u>21,776,638</u>	<u>21,900,410</u>	<u>22,878,587</u>	<u>23,004,387</u>
Business-type activities:					
Water/wastewater	6,288,781	6,336,671	6,310,606	6,275,894	6,039,288
Stormwater	<u>678,899</u>	<u>710,254</u>	<u>622,936</u>	<u>621,388</u>	<u>588,850</u>
Total business-type activities expenses	<u>6,967,680</u>	<u>7,046,925</u>	<u>6,933,542</u>	<u>6,897,282</u>	<u>6,628,138</u>
Total primary government expenses	<u>\$ 26,440,910</u>	<u>\$ 28,823,563</u>	<u>\$ 28,833,952</u>	<u>\$ 29,775,869</u>	<u>\$ 29,632,525</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,310,417	\$ 1,178,192	\$ 872,883	\$ 998,382	\$ 1,014,900
Public safety	-	-	-	-	-
Public works	989,594	966,929	903,934	743,700	676,310
Industrial promotion	380,974	390,500	220,146	218,933	270,156
Other activities	594,893	570,848	524,786	543,441	518,249
Operating grants and contributions	2,543,607	2,456,994	1,406,645	1,341,055	1,278,576
Capital grants and contributions	<u>152,815</u>	<u>656,148</u>	<u>3,855,619</u>	<u>4,268,203</u>	<u>3,334,419</u>
Total governmental activities program revenues	<u>5,972,300</u>	<u>6,219,611</u>	<u>7,784,013</u>	<u>8,113,714</u>	<u>7,092,610</u>
Business-type activities:					
Charges for services:					
Water/wastewater	7,697,439	7,513,502	7,662,110	7,664,369	8,022,592
Stormwater	774,610	782,531	778,950	801,867	823,722
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	<u>-</u>	<u>72,927</u>	<u>445,697</u>	<u>2,649,087</u>	<u>41,080</u>
Total business-type activities program revenues	<u>8,472,049</u>	<u>8,368,960</u>	<u>8,886,757</u>	<u>11,115,323</u>	<u>8,887,394</u>
Total primary government program revenues	<u>\$ 14,444,349</u>	<u>\$ 14,588,571</u>	<u>\$ 16,670,770</u>	<u>\$ 19,229,037</u>	<u>\$ 15,980,004</u>
Net (Expense)/Revenue					
Governmental activities	\$ (13,500,930)	\$ (15,557,027)	\$ (14,116,397)	\$ (14,764,873)	\$ (15,911,777)
Business-type activities	<u>1,504,369</u>	<u>1,322,035</u>	<u>1,953,215</u>	<u>4,218,041</u>	<u>2,259,256</u>
Total primary government net expense	<u>\$ (11,996,561)</u>	<u>\$ (14,234,992)</u>	<u>\$ (12,163,182)</u>	<u>\$ (10,546,832)</u>	<u>\$ (13,652,521)</u>
General Revenues and other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 5,394,786	\$ 5,487,516	\$ 5,371,012	\$ 5,925,018	\$ 5,920,213
Sales taxes	6,788,791	6,953,940	9,248,806	9,300,242	9,460,294
Franchise taxes	1,692,716	1,900,264	2,018,024	1,881,901	1,934,284
Investment earnings	15,791	10,476	7,595	10,921	26,016
Miscellaneous	-	-	204,718	586,532	488,411
Transfers	<u>1,015,622</u>	<u>1,288,988</u>	<u>1,408,389</u>	<u>1,682,976</u>	<u>1,171,031</u>
Total governmental activities	<u>14,907,706</u>	<u>15,641,184</u>	<u>18,258,544</u>	<u>19,387,590</u>	<u>19,000,249</u>
Business-type activities					
Investment earnings	1,990	1,157	828	907	4,941
Transfers	<u>(1,015,622)</u>	<u>(1,288,988)</u>	<u>(1,408,389)</u>	<u>(1,682,976)</u>	<u>(1,171,031)</u>
Total business-type activities	<u>(1,013,632)</u>	<u>(1,287,831)</u>	<u>(1,407,561)</u>	<u>(1,682,069)</u>	<u>(1,166,090)</u>
Total primary government	<u>\$ 13,894,074</u>	<u>\$ 14,353,353</u>	<u>\$ 16,850,983</u>	<u>\$ 17,705,521</u>	<u>\$ 17,834,159</u>
Change in Net Position					
Governmental activities	\$ 1,406,776	\$ 84,157	\$ 4,142,147	\$ 4,622,717	\$ 3,088,472
Business-type activities	<u>490,737</u>	<u>34,204</u>	<u>545,654</u>	<u>2,535,972</u>	<u>1,093,166</u>
Total primary government	<u>\$ 1,897,513</u>	<u>\$ 118,361</u>	<u>\$ 4,687,801</u>	<u>\$ 7,158,689</u>	<u>\$ 4,181,638</u>

(Continued)

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses					
Governmental activities:					
General government	\$ 4,374,506	\$ 4,451,763	\$ 5,142,761	\$ 5,490,317	\$ 4,685,751
Public safety	8,945,264	8,908,637	9,260,971	8,771,582	8,807,374
Public works	4,819,435	4,858,335	4,683,519	4,043,650	4,170,020
Sanitation and health	170,443	203,076	209,768	154,301	178,258
Culture and recreation	2,351,318	2,336,420	2,463,901	2,077,902	3,087,843
Industrial promotion	1,813,667	2,050,712	755,760	883,682	1,212,710
Economic development	6,306,088	148,081	260,836	59,862	33,750
Social welfare	1,715,860	1,772,291	1,775,831	2,114,027	1,970,866
Interest on long-term debt	<u>643,577</u>	<u>572,765</u>	<u>663,463</u>	<u>575,209</u>	<u>525,506</u>
Total governmental expenses	<u>31,140,158</u>	<u>25,302,080</u>	<u>25,216,810</u>	<u>24,170,532</u>	<u>24,672,078</u>
Business-type activities:					
Water/wastewater	5,803,266	6,034,171	6,260,080	6,273,694	6,331,138
Stormwater	<u>560,282</u>	<u>588,843</u>	<u>643,446</u>	<u>798,286</u>	<u>731,128</u>
Total business-type activities expenses	<u>6,363,548</u>	<u>6,623,014</u>	<u>6,903,526</u>	<u>7,071,980</u>	<u>7,062,266</u>
Total primary government expenses	<u>\$ 37,503,706</u>	<u>\$ 31,925,094</u>	<u>\$ 32,120,336</u>	<u>\$ 31,242,512</u>	<u>\$ 31,734,344</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 961,705	\$ 895,885	\$ 1,245,824	\$ 1,230,736	\$ 1,178,463
Public safety	2,069	823,390	432,481	281,588	269,139
Public works	690,791	219,695	727,097	518,988	837,547
Industrial promotion	536,648	545,829	183,541	205,336	191,817
Other activities	153,006	965,543	496,978	271,660	541,113
Operating grants and contributions	865,936	4,051,151	2,594,572	2,936,163	3,232,972
Capital grants and contributions	<u>3,955,343</u>	<u>-</u>	<u>1,118,350</u>	<u>860,725</u>	<u>1,132,676</u>
Total governmental activities program revenues	<u>7,165,498</u>	<u>7,501,493</u>	<u>6,798,843</u>	<u>6,305,196</u>	<u>7,383,727</u>
Business-type activities:					
Charges for services:					
Water/wastewater	7,965,780	8,204,765	8,552,391	8,685,550	9,161,061
Stormwater	814,904	833,671	853,994	855,651	896,076
Operating grants and contributions	-	-	28,754	-	-
Capital grants and contributions	<u>6,354,177</u>	<u>4,536</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities program revenues	<u>15,134,861</u>	<u>9,042,972</u>	<u>9,435,139</u>	<u>9,541,201</u>	<u>10,057,137</u>
Total primary government program revenues	<u>\$ 22,300,359</u>	<u>\$ 16,544,465</u>	<u>\$ 16,233,982</u>	<u>\$ 15,846,397</u>	<u>\$ 17,440,864</u>
Net (Expense)/Revenue					
Governmental activities	\$ (23,974,660)	\$ (17,800,587)	\$ (18,417,967)	\$ (17,865,336)	\$ (17,280,215)
Business-type activities	<u>8,771,313</u>	<u>2,419,958</u>	<u>2,531,613</u>	<u>2,469,221</u>	<u>2,994,871</u>
Total primary government net expense	<u>\$ (15,203,347)</u>	<u>\$ (15,380,629)</u>	<u>\$ (15,886,354)</u>	<u>\$ (15,396,115)</u>	<u>\$ (14,285,344)</u>
General Revenues and other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 6,374,304	\$ 6,615,702	\$ 6,956,114	\$ 6,989,489	\$ 7,053,560
Sales taxes	9,606,398	8,785,802	9,150,441	9,591,694	10,769,860
Franchise taxes	1,934,474	1,958,611	1,938,900	1,797,503	1,905,391
Investment earnings	102,715	233,093	321,325	98,485	11,326
Miscellaneous	803,660	704,820	268,877	191,683	618,888
Transfers	<u>1,167,821</u>	<u>1,420,296</u>	<u>1,467,999</u>	<u>1,550,000</u>	<u>1,600,000</u>
Total governmental activities	<u>19,989,372</u>	<u>19,718,324</u>	<u>20,103,656</u>	<u>20,218,854</u>	<u>21,959,025</u>
Business-type activities					
Investment earnings	41,504	66,149	77,620	19,247	4,358
Transfers	<u>(1,167,821)</u>	<u>(1,420,296)</u>	<u>(1,467,999)</u>	<u>(1,550,000)</u>	<u>(1,600,000)</u>
Total business-type activities	<u>(1,126,317)</u>	<u>(1,354,147)</u>	<u>(1,390,379)</u>	<u>(1,530,753)</u>	<u>(1,595,642)</u>
Total primary government	<u>\$ 18,863,055</u>	<u>\$ 18,364,177</u>	<u>\$ 18,713,277</u>	<u>\$ 18,688,101</u>	<u>\$ 20,363,383</u>
Change in Net Position					
Governmental activities	\$ (3,985,288)	\$ 1,917,737	\$ 1,685,689	\$ 2,353,518	\$ 4,678,810
Business-type activities	<u>7,644,996</u>	<u>1,065,811</u>	<u>1,141,234</u>	<u>938,468</u>	<u>1,399,229</u>
Total primary government	<u>\$ 3,659,708</u>	<u>\$ 2,983,548</u>	<u>\$ 2,826,923</u>	<u>\$ 3,291,986</u>	<u>\$ 6,078,039</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund					
Nonspendable	\$ 98,389	\$ 104,178	\$ 90,753	\$ 83,747	\$ 79,189
Restricted	-	-	-	-	-
Assigned	95,929	31,050	491,723	52,635	140,307
Unassigned	<u>4,281,388</u>	<u>4,323,574</u>	<u>4,568,229</u>	<u>4,130,258</u>	<u>4,504,641</u>
Total general fund	<u>\$ 4,475,706</u>	<u>\$ 4,458,802</u>	<u>\$ 5,150,705</u>	<u>\$ 4,266,640</u>	<u>\$ 4,724,137</u>
All Other Governmental Funds					
Nonspendable	\$ 4,505	\$ 8,048	\$ 8,077	\$ 7,498	\$ 7,154
Restricted	3,841,545	3,890,319	5,213,206	4,620,043	15,796,917
Assigned	7,503,675	5,669,041	5,508,042	5,161,920	5,515,485
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,981)</u>
Total all other governmental funds	<u>\$ 11,349,725</u>	<u>\$ 9,567,408</u>	<u>\$ 10,729,325</u>	<u>\$ 9,789,461</u>	<u>\$ 21,313,575</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund					
Nonspendable	\$ 84,368	\$ 101,844	\$ 104,723	\$ 110,714	\$ 125,570
Restricted	-	-	-	-	-
Assigned	24,778	110,956	23,873	93,742	274,988
Unassigned	<u>5,399,833</u>	<u>6,074,236</u>	<u>7,061,086</u>	<u>8,725,067</u>	<u>10,105,617</u>
Total general fund	<u>\$ 5,508,979</u>	<u>\$ 6,287,036</u>	<u>\$ 7,189,682</u>	<u>\$ 8,929,523</u>	<u>\$ 10,506,175</u>
All Other Governmental Funds					
Nonspendable	\$ 6,846	\$ 8,281	\$ 6,609	\$ 7,414	\$ 7,972
Restricted	8,764,289	6,318,359	6,017,194	6,767,991	11,048,637
Assigned	5,013,356	4,207,988	4,784,360	5,131,620	5,039,583
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 13,784,491</u>	<u>\$ 10,534,628</u>	<u>\$ 10,808,163</u>	<u>\$ 11,907,025</u>	<u>\$ 16,096,192</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues					
Taxes	\$ 13,876,293	\$ 14,341,720	\$ 16,637,842	\$ 17,107,161	\$ 17,314,791
Licenses and permits	193,797	177,002	220,146	218,933	270,156
Intergovernmental	2,640,461	2,952,796	3,093,518	3,348,281	4,309,329
Charges for services	2,064,698	1,975,714	1,896,616	1,845,086	1,782,057
Fines and forfeitures	477,897	395,412	404,985	440,437	427,402
Special assessments	65,723	79,853	60,492	86,237	60,470
Investment earnings	15,791	10,476	7,595	10,921	26,016
Lease income	473,120	477,201	455,573	435,687	325,931
Miscellaneous	224,033	333,960	204,718	830,947	488,411
Total revenues	<u>20,031,813</u>	<u>20,744,134</u>	<u>22,981,485</u>	<u>24,323,690</u>	<u>25,004,563</u>
Expenditures					
General government	3,252,217	3,232,327	3,470,159	3,394,359	3,665,567
Public safety	6,031,193	6,173,852	6,837,194	7,589,464	7,554,178
Public works	2,494,645	2,202,971	2,389,336	2,372,048	2,188,866
Sanitation and health	160,295	157,626	159,189	157,174	158,228
Economic development	1,682,095	1,748,883	1,802,360	1,780,057	1,842,473
Culture and recreation	628,199	2,273,568	1,490,191	1,677,501	944,718
Industrial promotion	-	100,932	159,481	87,670	35,878
Social welfare	1,464,910	1,447,316	1,485,190	1,765,442	1,798,485
Capital outlay	1,921,839	2,751,344	2,818,806	4,400,038	3,517,187
Debt service principal	2,669,028	4,170,782	4,486,892	4,124,389	3,516,895
Debt service interest	1,154,822	929,887	776,781	713,974	551,880
Debt issuance costs	46,089	68,533	118,202	12,894	259,557
Total expenditures	<u>21,505,332</u>	<u>25,258,021</u>	<u>25,993,781</u>	<u>28,075,010</u>	<u>26,033,912</u>
Excess of revenues over (under) expenditures	<u>(1,473,519)</u>	<u>(4,513,887)</u>	<u>(3,012,296)</u>	<u>(3,751,320)</u>	<u>(1,029,349)</u>
Other Financing Sources (Uses)					
General Obligation Bonds issued	855,000	1,420,000	3,398,395	-	5,000,000
Special Assessment Bonds issued	-	-	-	-	6,500,000
Bond Premium	-	-	60,597	-	183,181
Bond anticipation notes issued	1,144,743	-	-	-	-
Capital lease	-	-	-	244,415	156,748
Transfers in	3,284,962	3,752,132	4,320,102	5,465,416	4,410,292
Transfers out	(2,269,340)	(2,457,466)	(2,911,713)	(3,782,440)	(3,239,261)
Total other financing sources (uses)	<u>3,015,365</u>	<u>2,714,666</u>	<u>4,867,381</u>	<u>1,927,391</u>	<u>13,010,960</u>
Net change in fund balances	<u>\$ 1,541,846</u>	<u>\$ (1,799,221)</u>	<u>\$ 1,855,085</u>	<u>\$ (1,823,929)</u>	<u>\$ 11,981,611</u>
Debt service as a percentage of noncapital expenditures	19.76%	22.97%	23.22%	20.49%	19.22%

(Continued)

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues					
Taxes	\$ 17,915,176	\$ 17,360,115	\$ 18,045,455	\$ 18,378,686	\$ 19,728,811
Licenses and permits	153,006	219,695	150,150	192,078	234,255
Intergovernmental	4,110,600	4,217,529	3,599,171	3,748,032	4,234,202
Charges for services	1,821,897	2,362,233	2,252,758	1,782,945	2,279,110
Fines and forfeitures	369,316	321,625	382,358	266,712	254,408
Special assessments	57,341	490,899	482,411	451,980	494,001
Investment earnings	102,715	233,093	321,325	98,485	11,326
Lease income	301,926	239,471	183,541	205,336	191,817
Miscellaneous	776,114	747,291	453,985	289,853	758,712
Total revenues	<u>25,608,091</u>	<u>26,191,951</u>	<u>25,871,154</u>	<u>25,414,107</u>	<u>28,186,642</u>
Expenditures					
General government	3,858,674	4,501,516	4,519,952	4,434,791	4,530,880
Public safety	7,438,225	7,749,072	8,301,051	7,737,398	7,994,066
Public works	2,222,757	2,468,212	2,644,864	2,435,541	2,688,692
Sanitation and health	169,187	198,801	208,941	153,546	177,565
Economic development	58,368	1,912,498	105,016	19,240	33,750
Culture and recreation	1,893,042	2,036,343	1,954,134	1,543,301	2,004,813
Industrial promotion	1,771,053	100,840	755,756	889,042	1,168,285
Social welfare	1,714,382	1,771,207	1,775,912	2,114,535	1,965,211
Capital outlay	10,076,283	6,783,769	5,225,272	3,292,616	3,922,714
Debt service principal	3,807,327	2,185,651	2,389,025	2,469,307	2,667,189
Debt service interest	653,748	555,158	562,143	538,353	525,570
Debt issuance costs	10,050	40,174	120,749	24,640	48,583
Total expenditures	<u>33,673,096</u>	<u>30,303,241</u>	<u>28,562,815</u>	<u>25,652,310</u>	<u>27,727,318</u>
Excess of revenues over (under) expenditures	<u>(8,065,005)</u>	<u>(4,111,290)</u>	<u>(2,691,661)</u>	<u>(238,203)</u>	<u>459,324</u>
Other Financing Sources (Uses)					
General Obligation Bonds issued	-	-	2,100,000	-	-
Special Assessment Bonds issued	-	-	-	-	-
Bond Premium	-	-	120,376	-	-
Bond anticipation notes issued	-	-	-	-	3,590,000
Capital lease	152,942	219,188	179,467	1,526,906	116,495
Transfers in	4,371,099	1,941,914	2,019,503	2,243,161	2,467,787
Transfers out	(3,203,278)	(521,618)	(551,504)	(693,161)	(867,787)
Total other financing sources (uses)	<u>1,320,763</u>	<u>1,639,484</u>	<u>3,867,842</u>	<u>3,076,906</u>	<u>5,306,495</u>
Net change in fund balances	<u>\$ (6,744,242)</u>	<u>\$ (2,471,806)</u>	<u>\$ 1,176,181</u>	<u>\$ 2,838,703</u>	<u>\$ 5,765,819</u>
Debt service as a percentage of noncapital expenditures	18.95%	11.82%	13.16%	13.56%	13.62%

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

<u>Fiscal Year</u>	<u>State of Kansas (5)</u>	<u>Crawford County</u>	<u>City Memorial Auditorium</u>	<u>City Capital Outlay</u>	<u>City Economic Development</u>	<u>City Public Safety Debt (2)</u>	<u>City Street Improvements (3)</u>	<u>City Public Safety (4)</u>	<u>Total City Wide</u>	<u>Additional in North Broadway T.D.D. (1)</u>	<u>Additional in Northgate Plaza C.I.D. (6)</u>
2012	6.300	1.000	0.125	0.125	0.250	0.500	0.250	0.000	8.550	0.300	0.000
2013	6.150	1.000	0.125	0.125	0.250	0.500	0.250	0.000	8.400	0.300	0.000
2014	6.150	1.000	0.125	0.125	0.250	0.500	0.250	0.500	8.900	0.300	0.000
2015	6.500	1.000	0.125	0.125	0.250	0.500	0.250	0.500	9.250	0.300	0.000
2016	6.500	1.000	0.125	0.125	0.250	0.500	0.250	0.500	9.250	0.300	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
2018	6.500	1.000	0.125	0.125	0.250	0.000	0.500	0.500	9.000	0.300	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
2020	6.500	1.000	0.125	0.125	0.250	0.000	0.500	0.500	9.000	0.300	0.900
2021	6.500	1.000	0.125	0.125	0.250	0.000	0.500	0.500	9.000	0.300	0.900

(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. Additional one quarter percent effective October 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

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
2012	\$ 198,782,399	\$ 32,526,827	\$ 17,882,546	\$ 12,173,908	\$ 12,914,235	\$ 8,619,313	\$ 5,966,371	\$ 5,297,326	\$ 68,722,020	\$ 362,884,945
2013	209,429,325	33,857,854	18,492,316	12,247,961	13,315,255	8,451,689	4,257,309	4,345,014	73,033,056	377,429,779
2014	204,290,683	33,121,485	25,994,661	12,143,421	13,785,146	7,765,314	8,634,803	5,894,334	73,829,515	385,459,362
2015	215,806,522	47,758,050	25,353,963	19,121,025	17,563,571	12,806,606	10,054,030	7,478,028	41,183,719	397,125,514
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

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

Fiscal Year	Retail Trade	Accommodations and Food Service	Utilities	Wholesale Trade	Information	Other Services	Manufacturing	Construction	All other	Total
2012	54.78%	8.96%	4.93%	3.35%	3.56%	2.38%	1.64%	1.46%	18.94%	100.00%
2013	55.49%	8.97%	4.90%	3.25%	3.53%	2.24%	1.13%	1.15%	19.35%	100.00%
2014	53.00%	8.59%	6.74%	3.15%	3.58%	2.01%	2.24%	1.53%	19.15%	100.00%
2015	54.34%	12.03%	6.38%	4.81%	4.42%	3.22%	2.53%	1.88%	10.37%	100.00%
2016	52.03%	8.51%	6.71%	3.67%	2.82%	1.92%	2.15%	2.03%	20.16%	100.00%
2017	50.32%	12.21%	6.52%	1.97%	3.90%	2.30%	1.60%	2.13%	19.05%	100.00%
2018	49.98%	13.70%	6.51%	2.59%	3.83%	1.77%	1.27%	2.40%	17.93%	100.00%
2019	52.41%	13.28%	5.98%	2.72%	3.26%	5.46%	1.22%	1.71%	14.16%	100.00%
2020	65.40%	13.63%	6.41%	2.80%	3.14%	6.12%	1.28%	1.21%	0.01%	100.00%
2021	63.90%	15.02%	6.02%	2.70%	2.92%	2.10%	1.45%	1.33%	4.56%	100.00%

Source: Kansas Department of Revenue

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

Fiscal Year 2021

<u>Business</u>	<u>Category</u>	<u>Taxable Sales</u>	<u>%</u>
A	Retail Trade	\$ 92,397,589	22.31%
B	Retail Trade	36,912,593	8.91%
C	Utility	14,351,925	3.47%
D	Retail Trade	13,624,839	3.29%
E	Retail Trade	7,709,085	1.86%
F	Retail Trade	7,362,521	1.78%
G	Retail Trade	6,987,903	1.69%
H	Utility	6,698,012	1.62%
I	Food Services	5,936,817	1.43%
J	Retail Trade	5,804,866	1.40%
Subtotal (10 largest)		197,786,150	47.75%
Balance from other payers		216,382,530	52.25%
Grand totals		\$ 414,168,680	100.00%

Fiscal Year 2012

<u>Business</u>	<u>Category</u>	<u>Taxable Sales</u>	<u>%</u>
A	Retail Trade	\$ 67,154,971	18.51%
B	Retail Trade	19,471,357	5.37%
C	Utility	16,306,757	4.49%
D	Retail Trade	10,654,097	2.94%
E	Retail Trade	9,685,226	2.67%
F	Retail Trade	5,832,990	1.61%
G	Utility	5,248,029	1.45%
H	Retail Trade	4,754,378	1.31%
I	Utility	3,917,186	1.08%
J	Retail Trade	3,508,834	0.97%
Subtotal (10 largest)		146,533,825	40.38%
Balance from other payers		216,351,120	59.62%
Grand totals		\$ 362,884,945	100.00%

Source: Kansas Department of Revenue

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

<u>Fiscal Year</u>	<u>Crawford County (1)</u>	<u>City Memorial Auditorium</u>	<u>City Capital Outlay</u>	<u>City Economic Development</u>	<u>City Public Safety Debt (2)</u>	<u>City Street Improvements (3)</u>	<u>City Public Safety (4)</u>	<u>City Tax Increment Financing (5)</u>	<u>City North Broadway T.D.D. (6)</u>	<u>Total</u>
2012	\$ 1,980,210	\$ 422,216	\$ 422,216	\$ 844,432	\$ 1,834,327	\$ 917,163	\$ -	\$ 290,925	\$ 77,302	\$ 6,788,791
2013	1,991,874	432,927	432,927	865,853	1,888,324	944,162	-	313,233	84,640	6,953,940
2014	2,086,490	440,826	440,826	882,338	1,961,492	981,089	1,961,492	395,003	99,250	9,248,806
2015	2,162,857	454,826	454,826	910,340	1,968,285	984,487	1,968,285	296,587	99,749	9,300,242
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

(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

Fiscal Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled	Average Percent Unbilled	Gallons of Wastewater Treated	Total Direct Rate			
						Water		Sewer	
						Base Rate (1)	Usage Rate (2)	Base Rate (1)	Usage Rate (2)
2012	888	703	185	20.83%	952	\$ 11.01	Variable	\$ 19.20	Variable
2013	846	669	177	20.92%	1,252	\$ 11.01	Variable	\$ 19.20	Variable
2014	848	673	175	20.64%	929	\$ 11.01	Variable	\$ 19.20	Variable
2015	793	676	118	14.88%	1,466	\$ 11.34	Variable	\$ 19.78	Variable
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

Note: Gallons are presented in millions.

1) Fiscal year 2011 water and sewer base rates are blended amounts.

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

Fiscal Year	Water Meter Taps Sold	Sewer Taps Sold	Total Taps
2012	18	14	32
2013	17	24	41
2014	19	8	27
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

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

Fiscal Year	WATER			
	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL</u>	<u>OTHER</u>
2012	7,711	529	51	224
2013	7,730	523	52	236
2014	7,716	537	50	224
2015	7,722	541	49	224
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

Fiscal Year	SEWER (1)				TOTAL (2)	
	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL</u>	<u>OTHER</u>	<u>WATER</u>	<u>SEWER</u>
2012	7,076	493	44	121	8,515	7,734
2013	7,020	497	41	153	8,541	7,711
2014	7,124	497	44	136	8,527	7,801
2015	7,029	513	43	137	8,536	7,722
2016	7,050	510	42	138	8,407	7,740
2017	7,559	554	46	219	8,491	8,378
2018	6,998	521	37	146	8,351	7,702
2019	7,104	534	39	150	8,491	7,827
2020	7,124	508	33	303	8,521	7,968
2021	7,216	537	35	221	8,583	8,009

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

	Effective Jan 1st 2012	Effective Jan 1st 2013	Effective Jan 1st 2014	Effective Jan 1st 2015	Effective Jan 1st 2016	Effective Jan 1st 2017	Effective Jan 1st 2018	Effective Jan 1st 2019	Effective Jan 1st 2020	Effective Jan 1st 2021
<u>WATER RATES PER MONTH, INSIDE CITY LIMITS</u>										
1. MINIMUM CHARGE, NOT IN EXCESS OF 200 CUBIC FEET	\$ 11.01	\$ 11.01	\$ 11.01	\$ 11.34	\$ 11.45	\$ 11.56	\$ 11.68	\$ 11.80	\$ 11.80	\$ 11.80
2. NEXT 300 CUBIC FEET, PER 100 CUBIC FEET	4.56	4.56	4.56	4.70	4.75	4.80	4.85	4.90	4.90	4.90
3. NEXT 1,500 CUBIC FEET, PER 100 CUBIC FEET	4.30	4.30	4.30	4.43	4.47	4.51	4.56	4.61	4.61	4.61
4. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	4.10	4.10	4.10	4.22	4.26	4.30	4.34	4.38	4.38	4.38
5. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	3.81	3.81	3.81	3.92	3.96	4.00	4.04	4.08	4.08	4.08
6. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	3.61	3.61	3.61	3.72	3.76	3.80	3.84	3.88	3.88	3.88
7. NEXT 74,000 CUBIC FEET, PER 100 CUBIC FEET	3.36	3.36	3.36	3.46	3.49	3.52	3.56	3.60	3.60	3.60
8. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.04	3.04	3.04	3.13	3.16	3.19	3.22	3.25	3.25	3.25
9. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	2.81	2.81	2.81	2.89	3.16	3.19	3.22	3.25	3.25	3.25
10. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	2.59	2.59	2.59	2.67	3.16	3.19	3.22	3.25	3.25	3.25
11. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	2.38	2.38	2.38	2.45	3.16	3.19	3.22	3.25	3.25	3.25
12. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	2.21	2.21	2.21	2.28	3.16	3.19	3.22	3.25	3.25	3.25
13. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	2.03	2.03	2.03	2.09	3.16	3.19	3.22	3.25	3.25	3.25
14. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	1.87	1.87	1.87	1.93	3.16	3.19	3.22	3.25	3.25	3.25
15. ALL IN EXCESS OF 1,500,000 CUBIC FEET, PER 100 CUBIC FEET	1.73	1.73	1.73	1.78	3.16	3.19	3.22	3.25	3.25	3.25

	Effective Jan 1st 2012	Effective Jan 1st 2013	Effective Jan 1st 2014	Effective Jan 1st 2015	Effective Jan 1st 2016	Effective Jan 1st 2017	Effective Jan 1st 2018	Effective Jan 1st 2019	Effective Jan 1st 2020	Effective Jan 1st 2021
<u>WATER RATES PER MONTH, OUTSIDE CITY LIMITS</u>										
1. MINIMUM CHARGE, NOT IN EXCESS OF 200 CUBIC FEET	\$ 21.98	\$ 21.98	\$ 21.98	\$ 22.64	\$ 22.87	\$ 23.10	\$ 23.33	\$ 23.56	\$ 23.56	\$ 23.56
2. NEXT 300 CUBIC FEET, PER 100 CUBIC FEET	8.09	8.09	8.09	8.33	8.41	8.49	8.57	8.66	8.66	8.66
3. NEXT 1,500 CUBIC FEET, PER 100 CUBIC FEET	6.30	6.30	6.30	6.49	6.55	6.62	6.69	6.76	6.76	6.76
4. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	4.56	4.56	4.56	4.70	4.75	4.80	4.85	4.90	4.90	4.90
5. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	4.30	4.30	4.30	4.43	4.47	4.51	4.56	4.61	4.61	4.61
6. NEXT 8,000 CUBIC FEET, PER 100 CUBIC FEET	4.10	4.10	4.10	4.22	4.26	4.30	4.34	4.38	4.38	4.38
7. NEXT 74,000 CUBIC FEET, PER 100 CUBIC FEET	3.81	3.81	3.81	3.92	3.96	4.00	4.04	4.08	4.08	4.08
8. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.61	3.61	3.61	3.72	3.76	3.80	3.84	3.88	3.88	3.88
9. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	3.19	3.19	3.19	3.29	3.76	3.80	3.84	3.88	3.88	3.88
10. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	2.99	2.99	2.99	3.08	3.76	3.80	3.84	3.88	3.88	3.88
11. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	2.72	2.72	2.72	2.80	3.76	3.80	3.84	3.88	3.88	3.88
12. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	2.51	2.51	2.51	2.59	3.76	3.80	3.84	3.88	3.88	3.88
13. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	2.33	2.33	2.33	2.40	3.76	3.80	3.84	3.88	3.88	3.88
14. NEXT 200,000 CUBIC FEET, PER 100 CUBIC FEET	2.15	2.15	2.15	2.21	3.76	3.80	3.84	3.88	3.88	3.88
15. ALL IN EXCESS OF 1,500,000 CUBIC FEET, PER 100 CUBIC FEET	1.99	1.99	1.99	2.05	3.76	3.80	3.84	3.88	3.88	3.88

<u>SANITARY SEWER RATES PER MONTH, INSIDE CITY LIMITS</u>										
1. MINIMUM CHARGE, NOT IN EXCESS OF 200 CUBIC FEET	\$ 19.20	\$ 19.20	\$ 19.20	\$ 19.78	\$ 19.98	\$ 20.18	\$ 20.38	\$ 20.58	\$ 20.58	\$ 20.58
2. USER CHARGE, PER 100 CUBIC FEET PER MONTH	2.76	2.76	2.76	2.84	2.87	2.90	2.93	2.96	2.96	2.96

<u>SANITARY SEWER RATES PER MONTH, OUTSIDE CITY LIMITS</u>										
1. MINIMUM CHARGE, NOT IN EXCESS OF 200 CUBIC FEET	\$ 38.24	\$ 38.24	\$ 38.24	\$ 39.39	\$ 39.78	\$ 40.18	\$ 40.58	\$ 40.99	\$ 40.99	\$ 40.99
2. USER CHARGE, PER 100 CUBIC FEET PER MONTH	5.42	5.42	5.42	5.58	5.64	5.70	5.76	5.82	5.82	5.82

<u>STORMWATER RATES PER MONTH, INSIDE CITY LIMITS ONLY (1)</u>										
1. PER ERU (2)	\$ 3.67	\$ 3.67	\$ 3.67	\$ 3.78	\$ 3.82	\$ 3.86	\$ 3.90	\$ 3.94	\$ 3.94	\$ 3.94

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

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

<u>Customer</u>	<u>Category</u>	Fiscal Year 2021			
		Water Revenue		Sewer Revenue	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Sugar Creek Packing Company	Food Products	\$ 432,145	9.30%	\$ 563,679	14.34%
Pittsburg State University	Education	206,656	4.45%	106,541	2.71%
Acension Via Christi Hospital	Medical	106,448	2.29%	58,371	1.49%
Crimson Villas	Housing	57,968	0.91%	23,999	0.61%
Summerscape LLC	Housing	42,132	1.25%	20,449	0.52%
Sycamore Village Residences	Housing	42,766	0.92%	29,720	0.76%
Sanderson Pipe	Manufacturing	42,447	0.91%	22,889	0.58%
JBH Investments	Housing	36,404	0.78%	18,262	0.46%
Masonite	Manufacturing	33,770	0.73%	7,261	0.18%
Miller's	Manufacturing	19,394	0.42%	12,038	0.31%
Subtotal (10 largest)		1,020,130	21.95%	863,209	21.96%
Balance from other customers		3,627,813	78.05%	3,067,065	78.04%
Grand totals		\$ 4,647,943	100.00%	\$ 3,930,274	100.00%

<u>Customer</u>		Fiscal Year 2012			
		Water Revenue		Sewer Revenue	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Sugar Creek Packing Company	Food Products	\$ 172,831	4.37%	\$ 236,690	7.09%
Pittsburg State University	Education	185,284	4.68%	86,290	2.58%
Via Christi Hospital	Medical	47,654	1.20%	36,969	1.11%
USD 250	Education	44,088	1.11%	22,421	0.67%
Sycamore Village Residences	Housing	36,323	1.05%	23,839	0.71%
Crimson Villas	Housing	41,721	1.05%	14,958	0.45%
Parkview Community	Housing	30,232	0.76%	19,751	0.59%
University Commons	Housing	26,370	0.67%	18,808	0.56%
Corner Stone Village	Medical	23,472	0.67%	16,796	0.50%
Golden Living Center	Manufacturing	15,715	0.40%	13,144	0.39%
Subtotal (10 largest)		623,690	15.76%	489,666	14.67%
Balance from other customers		3,334,090	84.24%	2,848,843	85.33%
Grand totals		\$ 3,957,780	100.00%	\$ 3,338,509	100.00%

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

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

Governmental Activities					
Fiscal Year	General Obligation Bonds	Special Assessment	Capital Leases	Sales Tax Transportation District Bonds (1)	Tax Increment Financing Bonds (2)
2012	\$ 14,950,198	\$ -	\$ 1,393,645	\$ 1,235,000	\$ 5,010,000
2013	13,959,346	-	-	1,195,000	4,735,000
2014	14,405,592	-	1,881,075	1,150,000	4,390,000
2015	10,651,203	-	1,845,535	1,100,000	4,070,000
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	8,115,480	5,736,374	1,882,033	705,000	1,775,000
2021	7,012,228	5,459,413	1,424,233	595,000	1,150,000

Business-type Activities					
Fiscal Year	General Obligation Bonds (3)	Capital Leases	K.D.H.E. Loans	Total Primary Government	Per Capita
2012	\$ 2,229,802	\$ -	\$ 13,836,918	\$ 38,655,563	1,911
2013	1,580,654	-	13,531,466	35,001,466	1,716
2014	2,824,408	-	13,686,824	38,337,899	1,879
2015	8,743,797	-	4,126,327	30,536,862	1,497
2016	8,143,564	-	3,873,650	37,635,607	1,848
2017	7,151,757	-	3,740,442	32,457,249	1,606
2018	6,428,274	-	3,362,262	28,980,642	1,434
2019	5,725,135	428,551	3,190,598	28,522,889	1,414
2020	5,038,896	671,344	2,748,386	26,672,513	1,322
2021	4,337,658	480,602	3,535,342	23,994,476	1,190

(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

<u>General Bonded Debt Outstanding</u>						
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
2012	\$ 17,180,000	\$ 1,067,000	\$ 16,113,000	\$ 817,384,174	1.97%	\$ 796
2013	15,540,000	908,051	14,631,949	816,860,679	1.79%	717
2014	17,230,000	850,457	16,379,543	861,828,805	1.90%	803
2015	19,395,000	807,700	18,587,300	843,786,180	2.20%	911
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	9,183,731	901,542	8,282,189	903,133,619	0.92%	410
2020	8,115,480	1,087,511	7,027,969	934,439,912	0.75%	348
2021	11,349,886	1,424,800	9,925,086	936,120,634	1.06%	492

(1) Source: Crawford County Clerk

City of Pittsburg, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Crawford County	\$ 2,280,200	52.25%	\$ 1,191,405
Pittsburg U.S.D. 250	36,215,000	84.29%	<u>30,525,624</u>
Subtotal, overlapping debt			31,717,028
City direct debt (2)			<u>15,640,874</u>
Total direct and overlapping debt			<u>\$ 47,357,902</u>

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

(2) The City's direct debt total excludes business-type activities debt. The Special Obligation Tax Increment Revenue Bonds (TIF) are included, however the City bears no responsibility on repaying the TIF bonds. The debt burden for the TIF bonds is not borne by the residents of the City of Pittsburg.

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 2021

Assessed Valuation (1)	\$ 154,713,173
Legal Debt Limit (2)	46,413,952
General Obligation Bonds	10,955,000
Less Amount Available in Debt Service Fund	<u>1,424,800</u>
Total net debt applicable to limit	<u>9,530,200</u>
Legal debt margin	<u>\$ 36,883,752</u>

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 40,575,801	\$ 40,699,087	\$ 40,682,291	\$ 40,750,814	\$ 40,980,164
Total net debt applicable to limit	<u>16,113,000</u>	<u>14,201,425</u>	<u>16,379,543</u>	<u>18,587,300</u>	<u>11,502,295</u>
Legal debt margin	<u>\$ 40,575,801</u>	<u>\$ 26,497,662</u>	<u>\$ 24,302,748</u>	<u>\$ 22,163,514</u>	<u>\$ 29,477,869</u>
Total net debt applicable to the limit as a percentage of debt limit	39.71%	34.89%	40.26%	45.61%	28.07%

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 44,002,299	\$ 44,686,812	\$ 44,714,579	\$ 46,177,396	\$ 46,413,952
Total net debt applicable to limit	<u>15,095,472</u>	<u>13,331,182</u>	<u>13,523,458</u>	<u>11,627,489</u>	<u>9,530,200</u>
Legal debt margin	<u>\$ 28,906,827</u>	<u>\$ 31,355,630</u>	<u>\$ 31,191,121</u>	<u>\$ 34,549,907</u>	<u>\$ 36,883,752</u>
Total net debt applicable to the limit as a percentage of debt limit	34.31%	29.83%	30.24%	25.18%	20.53%

(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		Coverage
						Principal	Interest	
2012	\$ 77,302	\$ 28,000	\$ 2	\$ 1,752	\$ 103,552	\$ 40,000	\$ 60,240	1.03
2013	84,640	23,605	2	1,752	106,495	40,000	58,320	1.08
2014	99,250	13,250	2	1,752	110,750	45,000	56,280	1.09
2015	99,749	13,925	2	1,752	111,924	50,000	54,000	1.08
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	110,000	31,920	0.97

Tax Increment Financing Bonds (2)

Fiscal Year	Sales Tax Increment	Property Tax Increment	Other Income	Less Expenses	Net Available Revenue	Debt Service		Coverage
						Principal	Interest	
2012	\$ 290,925	\$ 178,193	\$ 17	\$ 3,017	\$ 466,118	\$ 255,000	\$ 246,807	0.93
2013	313,233	275,924	14	3,014	586,157	275,000	234,883	1.15
2014	395,003	178,132	20	3,020	570,135	345,000	222,057	1.01
2015	296,587	265,509	19	3,019	559,096	320,000	205,850	1.06
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	625,000	74,848	1.01

(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)
2012	20,233	39,369	\$ 33,508	2,848	7,289	5.5%	26.2
2013	20,398	39,312	33,927	2,897	7,400	5.0%	26.2
2014	20,398	39,327	33,654	2,861	7,479	4.5%	26.2
2015	20,398	39,231	34,145	2,945	7,244	4.3%	26.2
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

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

(2) Source: Pittsburg USD 250

(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**

<u>Employer</u>	<u>Product</u>	<u>2021</u>			<u>2012</u>		
		<u>Estimated Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment (3)</u>	<u>Estimated Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment (3)</u>
Pittsburg State University	University	1,867	1	10.05%	1,867	1	10.13%
Ascension Via Christi Hospital	Regional Hospital	775	2	4.17%	677	2	3.67%
Pittsburg U.S.D. # 250	Public School K-12	684	3	3.68%	684	3	3.71%
Sugar Creek Packing (2)	Food Products	500	4	2.69%	na	na	na
Pitt Plastics Inc.	Polyethylene Bags	304	5	1.64%	293	5	1.59%
Miller's Inc.	Professional Photo Finishing	287	6	1.55%	287	6	1.56%
NPC International	Corporate Offices	269	7	1.45%	274	na	na
Kansas Crossing Casino & Hotel	Entertainment	260	8	1.40%	na	na	na
City of Pittsburg (4)	City Government	241	9	1.30%	208	8	1.13%
Community Health Center of SEK	Health Care	206	10	1.11%	164	9	0.89%
Crawford County Mental Health	Health Care	195	11	1.05%	na	na	na
SEK Education Service Center	Education Services	160	12	0.86%	na	na	na
CDL Electric Company	Contractor	154	13	0.83%	na	na	na
Via Christi Village	Assisted Living Facility	152	14	0.82%	120	na	na
New Hope Services	Assisted Living Facility	150	15	0.81%	122	na	na
Total		<u>6,204</u>		<u>33.39%</u>	<u>4,696</u>		<u>22.66%</u>

(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.

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

	2012		2013		2014		2015		2016	
	<u>Number of</u>	<u>Percent</u>	<u>Number of</u>	<u>Percent</u>	<u>Number of</u>	<u>Percent</u>	<u>Number of</u>	<u>Percent</u>	<u>Number of</u>	<u>Percent</u>
	<u>Employees</u>	<u>of Total</u>	<u>Employees</u>	<u>of Total</u>	<u>Employees</u>	<u>of Total</u>	<u>Employees</u>	<u>of Total</u>	<u>Employees</u>	<u>of Total</u>
Governmental-type Activities										
<u>Administration</u>										
City Manager	2	1.0%	2	1.0%	2	0.9%	2	0.9%	2	0.9%
City Attorney	1	0.5%	1	0.5%	1	0.5%	1	0.4%	1	0.4%
City Clerk	1	0.5%	1	0.5%	1	0.5%	1	0.4%	1	0.4%
Finance Department	5	2.5%	5	2.4%	5	2.3%	5	2.2%	5	2.2%
Human Resources Division	2	1.0%	2	1.0%	2	0.9%	2	0.9%	2	0.9%
Information Systems Division	3	1.5%	3	1.5%	3	1.4%	3	1.3%	4	1.8%
Total Administration	14	7.0%	14	6.8%	14	6.4%	14	6.3%	15	6.7%
<u>Public Safety</u>										
Police Division	52	26.0%	54	26.2%	69	31.4%	70	31.4%	71	31.6%
Fire Division	36	18.0%	35	17.0%	35	15.9%	35	15.7%	35	15.6%
Building Services Division	-	0.0%	-	0.0%	5	2.3%	5	2.2%	5	2.2%
Codes Enforcement Division	6	3.0%	7	3.4%	4	1.8%	4	1.8%	2	0.9%
Animal Control Division	2	1.0%	2	1.0%	2	0.9%	2	0.9%	2	0.9%
Municipal Court Division	5	2.5%	6	2.9%	6	2.7%	6	2.7%	6	2.7%
Total Public Safety	101	50.6%	104	50.6%	121	55.1%	122	54.8%	121	53.9%
<u>Public Works</u>										
Engineering Division	2	1.0%	2	1.0%	2	0.9%	3	1.3%	3	1.3%
Facility Maintenance Division	3	1.5%	3	1.5%	3	1.4%	3	1.3%	3	1.3%
Street & Highway Division	12	6.0%	12	5.8%	11	5.0%	11	4.9%	10	4.4%
Atkinson Airport Division	3	1.5%	3	1.5%	3	1.4%	3	1.3%	3	1.3%
Total Public Safety	20	10.0%	20	9.7%	19	8.6%	20	9.0%	19	8.4%
<u>Sanitation and Health</u>										
Mt. Olive Cemetery Division	1	0.5%	1	0.5%	1	0.5%	1	0.4%	1	0.4%
<u>Culture and Recreation</u>										
Parks Division	8	4.0%	8	3.9%	8	3.6%	8	3.6%	8	3.6%
Recreation Division	2	1.0%	2	1.0%	2	0.9%	2	0.9%	3	1.3%
Golf Course Division	3	1.5%	3	1.5%	3	1.4%	3	1.3%	3	1.3%
Memorial Auditorium Division	5	2.5%	5	2.4%	5	2.3%	5	2.2%	5	2.2%
Total Culture and Recreation	18	9.0%	18	8.7%	18	8.2%	18	8.1%	19	8.4%
<u>Education</u>										
Component Unit (Public Library)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<u>Industrial Development</u>										
Economic Development Division	1	0.5%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<u>Social Welfare</u>										
Community Development and Housing	3	1.5%	3	1.5%	3	1.4%	4	1.8%	5	2.2%
Total for Governmental-type Activities	158	79.0%	160	77.7%	176	80.0%	179	80.3%	180	80.0%
Business-type Activities										
<u>Water-Wastewater Utility</u>										
Water Treatment Division	8.6	4.3%	8.6	4.2%	8.6	3.9%	8.6	3.9%	11	4.9%
Water Distribution Division	8.6	4.3%	11.6	5.6%	13.6	6.2%	13.6	6.1%	14	6.2%
Wastewater Treatment Division	6.6	3.3%	6.6	3.2%	6.6	3.0%	6.6	3.0%	6	2.7%
Wastewater Collections Division	5.6	2.8%	5.6	2.7%	5.6	2.5%	5.6	2.5%	5	2.2%
Customer Service Division	6	3.0%	6	2.9%	3	1.4%	3	1.3%	3	1.3%
Total Water-Wastewater Utility	35.4	17.7%	38.4	18.6%	37.4	17.0%	37.4	16.8%	39.0	17.3%
<u>Storm Water Utility</u>										
Stormwater Division	6.6	3.3%	7.6	3.7%	6.6	3.0%	6.6	3.0%	6.0	2.7%
Total for Business-type Activities	42	21.0%	46	22.3%	44	20.0%	44	19.7%	45	20.0%
Total Full-time Employees	200	100.0%	206	100.0%	220	100.0%	223	100.0%	225	100.0%
 Component Unit										
	8		8		8		8		8	

(Continued)

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

	2017		2018		2019		2020		2021	
	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										
<u>Administration</u>										
City Manager	3	1.3%	3	1.3%	3	1.3%	3	1.3%	4	1.7%
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%	6	2.6%	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	1.7%	4	1.7%	4	1.7%	4	1.7%
Total Administration	16	7.0%	17	7.4%	17	7.4%	17	7.3%	18	7.8%
<u>Public Safety</u>										
Police Division	73	32.0%	74	32.3%	74	32.0%	74	31.9%	74	31.9%
Fire Division	35	15.4%	35	15.3%	35	15.2%	35	15.1%	35	15.1%
Building Services Division	4	1.8%	3	1.3%	4	1.7%	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	2.6%	6	2.6%	6	2.6%	6	2.6%	6	2.6%
Total Public Safety	122	53.6%	122	53.3%	123	53.3%	123	53.1%	123	53.0%
<u>Public Works</u>										
Engineering Division	3	1.3%	4	1.7%	4	1.7%	4	1.7%	3	1.3%
Facility Maintenance Division	3	1.3%	4	1.7%	4	1.7%	4	1.7%	4	1.7%
Street & Highway Division	10	4.4%	10	4.4%	10	4.3%	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 Works	19	8.3%	21	9.2%	21	9.1%	21	9.1%	20	8.6%
<u>Sanitation and Health</u>										
Mt. Olive Cemetery Division	1	0.4%	1	0.4%	1	0.4%	1	0.4%	1	0.4%
<u>Culture and Recreation</u>										
Parks Division	8	3.5%	8	3.5%	8	3.5%	8	3.4%	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	8.3%	19	8.3%	19	8.2%	19	8.2%	19	8.2%
<u>Education</u>										
Component Unit (Public Library)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<u>Industrial Development</u>										
Economic Development Division	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<u>Social Welfare</u>										
Community Development and Housing	6	2.6%	6	2.6%	7	3.0%	7	3.0%	7	3.0%
Total for Governmental-type Activities	183	80.3%	186	81.2%	188	81.4%	188	81.0%	188	81.0%
Business-type Activities										
<u>Water-Wastewater Utility</u>										
Water Treatment Division	11	4.8%	10	4.4%	10	4.3%	10	4.3%	10	4.3%
Water Distribution Division	14	6.1%	13	5.7%	13	5.6%	14	6.0%	14	6.0%
Wastewater Treatment Division	6	2.6%	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	39.0	17.1%	37.0	16.2%	37.0	16.0%	38.0	16.4%	38	16.4%
<u>Storm Water Utility</u>										
Stormwater Division	6.0	2.6%	6.0	2.6%	6.0	2.6%	6.0	2.6%	6	2.6%
Total for Business-type Activities	45	19.7%	43	18.8%	43	18.6%	44	19.0%	44	19.0%
Total Full-time Employees	228	100.0%	229	100.0%	231	100.0%	232	100.0%	232	100.0%
Component Unit										
Component Unit	9		10		10		10		10	

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government					
Building permits issued	787	527	510	1,068	1,264
Building inspections conducted	791	550	672	1,503	1,676
Memorial auditorium (events)	385	437	380	334	325
Police (1)					
Physical arrests	1,414	1,328	1,255	1,613	1,601
Parking violations	1,390	792	-	-	-
Traffic violations	2,316	1,916	1,685	2,249	2,596
Accident Reports	-	-	583	679	374
Fire					
Fire calls	385	287	109	111	122
Emergency calls/EMS	709	720	736	1,021	952
Other calls	736	887	1,496	1,302	1,355
Other public works					
Street resurfacing (tons of asphalt)	6,351	8,834	8,230	5,981	5,564
Airport (gallons sold)	194,205	191,721	188,070	209,364	215,365
Parks and recreation (2)					
Aquatic center (attendance)	25,710	18,460	18,105	28,615	19,330
Golf course (rounds of golf)	6,159	7,148	8,152	8,683	7,924
Water					
Average daily consumption (gallons)	2,374,877	2,282,000	2,086,733	2,059,320	2,236,650
Peak daily consumption (gallons)	4,530,000	6,059,000	4,111,000	3,964,000	3,421,000
Wastewater					
Average daily sewage treatment (gallons)	2,607,397	3,430,959	2,547,397	4,015,616	2,878,356

<u>Function/Program</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government					
Building permits issued	1,297	1,402	1,295	1,238	1,374
Building inspections conducted	1,625	2,141	2,301	2,200	2,701
Memorial auditorium (events)	458	505	501	126	276
Police (1)					
Physical arrests	1,547	1,452	1,514	794	1,114
Parking violations	-	-	-	-	-
Traffic violations	2,124	1,735	2,050	2,957	2975
Accident Reports	615	569	518	373	445
Fire					
Fire calls	150	405	431	543	294
Emergency calls/EMS	996	900	1,023	816	687
Other calls	1,175	848	1,081	416	689
Other public works					
Street resurfacing (tons of asphalt)	15,963	11,233	19,738	19,242	5,614
Airport (gallons sold)	196,381	204,858	190,550	145,468	203,430
Parks and recreation (2)					
Aquatic center (attendance)	19,126	22,352	22,346	-	15,769
Golf course (rounds of golf)	6,292	7,031	6,864	7,204	9,790
Water					
Average daily consumption (gallons)	2,072,758	2,141,825	2,078,767	2,253,066	2,504,184
Peak daily consumption (gallons)	3,123,000	3,687,000	3,028,000	4,061,000	4,108,000
Wastewater					
Average daily sewage treatment (gallons)	3,738,904	3,136,164	5,235,890	4,563,288	4,412,877

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.
(2) The Aquatic Center did not open in 2020 due to COVID-19

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Function/Program</u>					
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	2,036	2,041	2,039	2,042	2,042
Traffic Signals	39	40	39	42	42
Parks and recreation					
Public parks	10	10	10	14	14
Swimming pools	2	2	2	2	2
Golf courses	1	1	1	1	1
Firsbee golf courses	-	-	-	2	2
Baseball/softball fields	9	9	9	9	9
Tennis courts	8	8	8	8	8
Pickle ball Courts	-	-	-	-	-
Community centers	3	3	3	3	3
Water					
Water mains (miles)	172	172	172	172	172
Storage capacity (gallons)	3,750,000	3,750,000	3,750,000	3,750,000	3,750,000
Wastewater					
Sanitary sewers (miles)	127	127	127	127	127
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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Function/Program</u>					
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
Firsbee golf courses	2	2	2	2	2
Baseball/softball fields	9	9	9	9	9
Tennis courts	6	6	6	6	6
Pickle ball Courts	-	4	4	4	4
Community centers	2	2	2	2	2
Water					
Water mains (miles)	175	175	175	175	175.0
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, 2021

Federal Grantor/Pass-Through Grantor/Program Title	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	\$ 6,826	\$ -
Total SNAP Cluster		6,826	-
Total U.S. Department of Agriculture		6,826	-
U.S. Department of Housing and Urban Development:			
Section 8 Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	1,711,275	-
COVID 19 - Section 8 Housing Emergency Housing Vouchers	14.871	65,598	-
Total Section 8 Housing Voucher Cluster		1,776,873	-
Passed through Kansas Housing Resources Corporation:			
Emergency Solutions Grant	14.231	221,303	-
COVID-19 - Emergency Solutions Grant	14.231	28,170	-
HOME Investment Partnerships Program	14.239	67,620	-
Passed through Kansas Department of Commerce:			
COVID-19 - Community Development Block Grant (State Program)	14.228	13,443	11,667
Total U.S. Department of Housing and Urban Development		2,107,409	11,667
U.S. Department of Transportation:			
Passed through the Federal Aviation Administration:			
COVID-19 - Airport Improvement Program	20.106	163,740	-
Passed through the Kansas Department of Transportation:			
Highway Safety Cluster:			
Alcohol Impaired Driving Countermeasures Incentive Grants	20.600	4,153	-
Total Highway Safety Cluster		4,153	-
Total U.S. Department of Transportation		167,893	-
U.S. Department of Treasury:			
Passed through the State of Kansas:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	213,617	-
Total U.S. Department of Treasury		213,617	-
Total expenditures of federal awards		\$ 2,495,745	\$ 11,667

See accompanying notes to schedule of
expenditures of federal awards.

CITY OF PITTSBURG, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2021

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, 2021. 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 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CITY OF PITTSBURG, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses:	None
Noncompliance material to financial statements	None reported

Federal Awards

Type of auditors’ report issued on compliance for major program	Unmodified
Internal control over major program:	
Material weaknesses identified	None
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)	None

Identification of major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B programs	\$ 750,000
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Auditee qualified as a low-risk auditee:	Yes
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Section II – Financial Statement Findings	None
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Section III – Federal Award Findings and Questioned Costs	None
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**INDEPENDENT AUDITORS' 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 28, 2022.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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*.

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 result 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.

BT & Co., P.A.

April 28, 2022
Topeka, Kansas



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE**

Mayor and City Commissioners
City of Pittsburg, Kansas:

Report on Compliance for the Major Federal Program

Opinion on the Major Program

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 each of the City's major federal program for the year ended December 31, 2021. The City's major federal program is 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 program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

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 program. 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.

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Auditors' 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.

Report on Internal Control Over Compliance

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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

BT + Co., P.A.

April 28, 2022
Topeka, Kansas