

City of Valley Center, KS



2019 Year in Review

An unaudited summary of the 2019 Financial Statements



Honorable Mayor Cicirello & Valley Center City Council,

The Finance and Administration Department is pleased to present the City of Valley Center's unaudited fiscal year 2019 Financial Year in Review. This report is intended to give readers a broad overview of the year, and can be used in conjunction with the 2019 Budget document. Included in this report are Budget vs. Actual comparisons, fund balances and departmental highlights; specific, detailed information regarding individual fund activity or highlighted projects is available in the Finance and Administration department by request. Updates to this report include a brief overview of the city profile, a more visible and comprehensive picture of City debt, and an overall financial view via fund balance with explanations for any change in fund balance greater than 15%.

The Valley Center Council and staff historically have taken a conservative approach to budgeting. In recent years, budgeting practices have included forecasting revenues conservatively while ensuring expenses were at least balanced, if not budgeted lower than revenues. This practice has produced strong reserves in the main operating funds, providing rainy-day funds for unforeseen needs. This practice has prepared the City for the ongoing tax lid that became effective in 2018. As noted in previous reports, the tax lid has made it difficult for the City to provide additional services in the face of additional growth, so having ample reserves will be vital to appropriately managing growth in the future.

Though the City's budgeting practices have historically been conservative, much progress has been made in regards to infrastructure, community services and general governance. Such projects as 5th street, Master Ped/Bike plan, Waste Water Treatment Plant upgrades, upgrades to Wetland Park, and multiple equipment purchases were completed within the year, providing sustainability for the aging infrastructure within the City. As well, initiatives like a 3-year strategic plan and a performance management wage system have been implemented, providing focus and intent for City growth and strong administration of City staff.

The City still remains in excellent financial condition. A few funds showed decreased fund balances, but this was intentional to ensure city funds were used responsibly while maintaining strong reserves. A brief summary of both governmental funds (tax supported) and enterprise funds (user fee supported) is provided. Overall, 2019 actual expenditures were 13% under actual revenues for all main operating funds. This is a product of conservative budgeting for overall revenues and for conscious and responsible spending throughout the year.

With the hiring of a new City Administrator and the upcoming renewal of the strategic plan, the City is poised for many years of continued performance driven goals and initiatives. Along with the guidance of City Council, administrative staff, department directors, and the dedication of all employees of the City, Valley Center will continue to thrive, grow, and be a place that everyone should discover.

Respectfully submitted,

Barry Smith



Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Valley Center, Kansas for its annual budget for the fiscal year beginning Jan 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Valley Center
Kansas**

For the Fiscal Year Beginning

January 1, 2019

Christopher P. Morrill

Executive Director

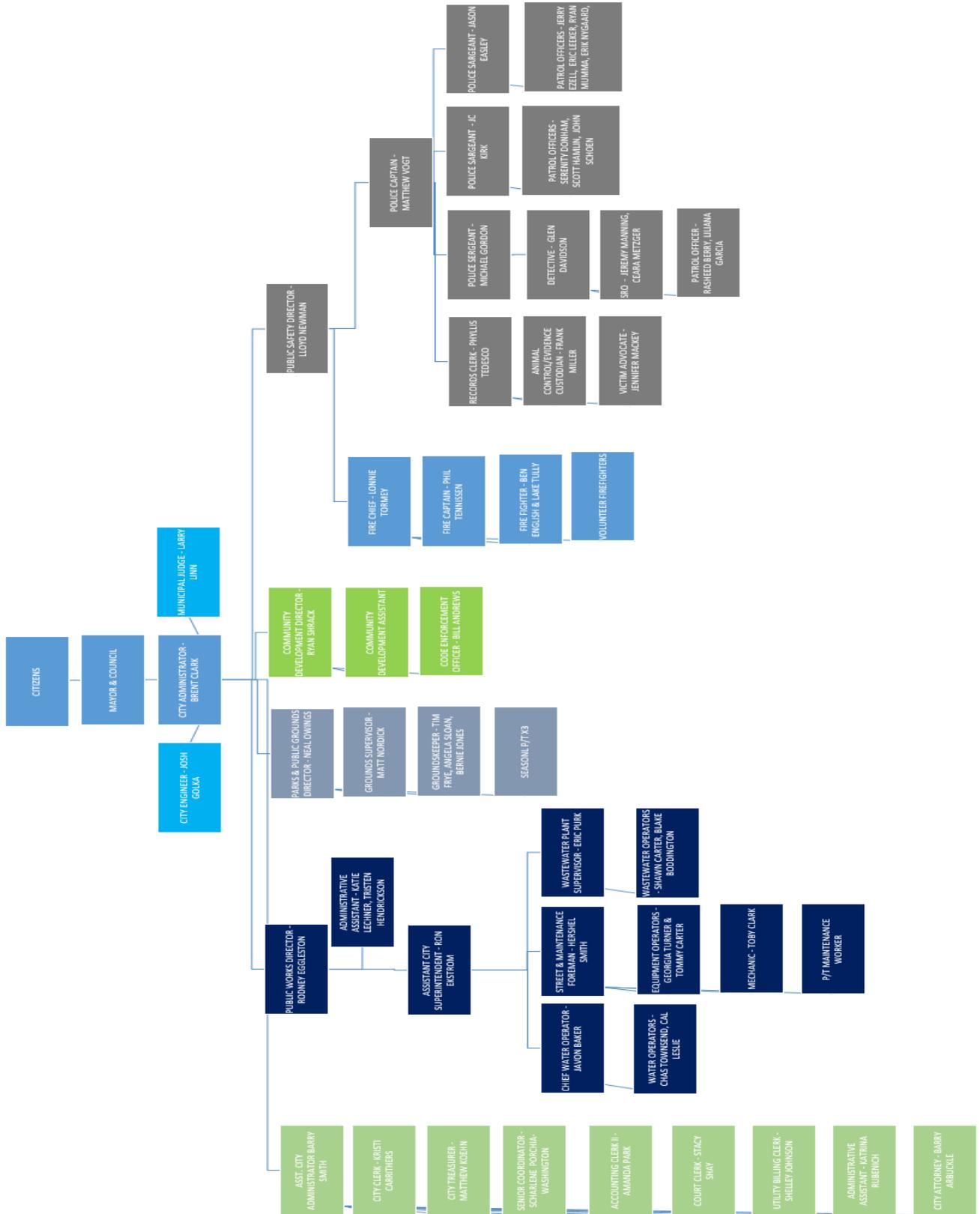
City of Valley Center, KS



City Profile



City Organization Chart





City Profile

The City of Valley Center is a middle class suburb located 10.5 miles North of downtown Wichita, KS. The City totals 6.95 square miles and continues to grow. Highlighted below are some statistics regarding the City including population, education obtainment, and environmental conditions.

According to the Census Bureau:

Population (2017): 7,300

Population per square mile (2010): 981.2

Total Land area (2010): 6.95 sq. miles

Median Household Income(2017): \$58,384

Educational Attainment (Age 25+):

- 3.5% Less than High School
- 96.4% High school graduate or higher
- 27.6% Some College
- 5.7% Associate's Degree
- 22.6% Bachelors Degree
- 6.5% Master's/PhD and/or Professional Degree.

Median Housing Value(2017): \$137,400

Total Housing Units (2015): 2,552

Number of Companies(2012): 498

Year of Incorporation: 1885

Form of Government: Mayor/Council

County: Sedgwick

Bond Rating: Standard and Poor's AA-

Climate: Rainfall (in.) - 31.4

Snowfall (in.) - 13.8

Avg. July High - 93

Avg. Jan. Low - 20.2

Sunny Days/Year - 226

Police:

- Police Stations—1
- Police officers/support staff—20

Fire:

- Number of Stations—1
- Career/Volunteer Fire Fighters—4/18
- Number of Vehicles—7

Education

-Schools Located in Valley Center-

- Elementary schools(K-3)—3
- Intermediate School(4-5)—1
- Middle Schools(6-8)—1
- High Schools(9-12)—1

-Serviced by Universities-

- Wichita State University
- Friends University
- Kansas University School of Medicine
- Wichita Area Vocational-Technical School
- Newman University

Parks and Rec:

- Swimming Pool—1
- Splash Pad—1
- Parks—5
- Fishing Pond—2
- Pedestrian/Bike Path—17.3 Linear Miles
- Golf Course (nine holes) — 1



City Profile

Major Taxpayers:

The following table sets forth the ten largest taxpayers in the City for taxes levied in 2019:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Paid</u>
Kansas Gas & Elec-A Westar Energy Co	1,309,544	71,966.00
Spin Properties Inc	996,873	54,783.09
National Plastics Color Inc.	784,979	43,138.52
Kansas Gas Service-A Division of One Gas	531,243	29,194.46
BNSF	521,014	28,632.32
TNG Retro Holdings LLC	500,426	27,500.91
Union Pacific Railroad Co.	399,341	21,945.78
Pro-Build Real Estate Holdings LLC	334,125	18,361.82
Valley Offset Printing Inc.	322,790	17,738.94
B P T Investors	310,300	17,052.54

Source: County Clerk

Assessed Valuation

The following table shows the assessed valuation of the taxable tangible property within the City for the following years:

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total Valuation</u>
2015	\$41,533,335	\$941,201	\$3,252,167	\$7,807,764	\$53,534,467
2016	43,009,057	898,748	2,413,248	8,260,512	54,581,565
2017	44,748,909	924,439	2,503,423	8,478,776	56,655,547
2018	47,138,918	949,532	2,786,019	8,816,240	59,690,709
2019*	49,865,181	920,118	2,961,595	8,816,240	62,563,134

* 2019 motor vehicle valuation not yet available; 2018 data used for estimation purposes only.

Source: County Clerk

Tax Rates:

The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser.

The following table shows the City's mill levies by fund (per \$1,000 of assessed valuation) for each of the years indicated and the current year:

<u>Year</u>	<u>General Fund</u>	<u>Library Fund</u>	<u>G.O. Bonds</u>	<u>Misc. Funds</u>	<u>Total Levy</u>
2014/15	19.419	4.507	16.315	15.201	55.442
2015/16	35.362	4.507	5.485	10.092	55.446
2016/17	34.899	4.506	5.484	10.751	55.640
2017/18	34.505	4.394	5.422	10.630	54.951
2018/19	23.061	4.506	16.508	10.902	54.977
2019/20	23.052	4.504	11.501	15.898	54.955

Source: County Clerk

City of Valley Center, KS

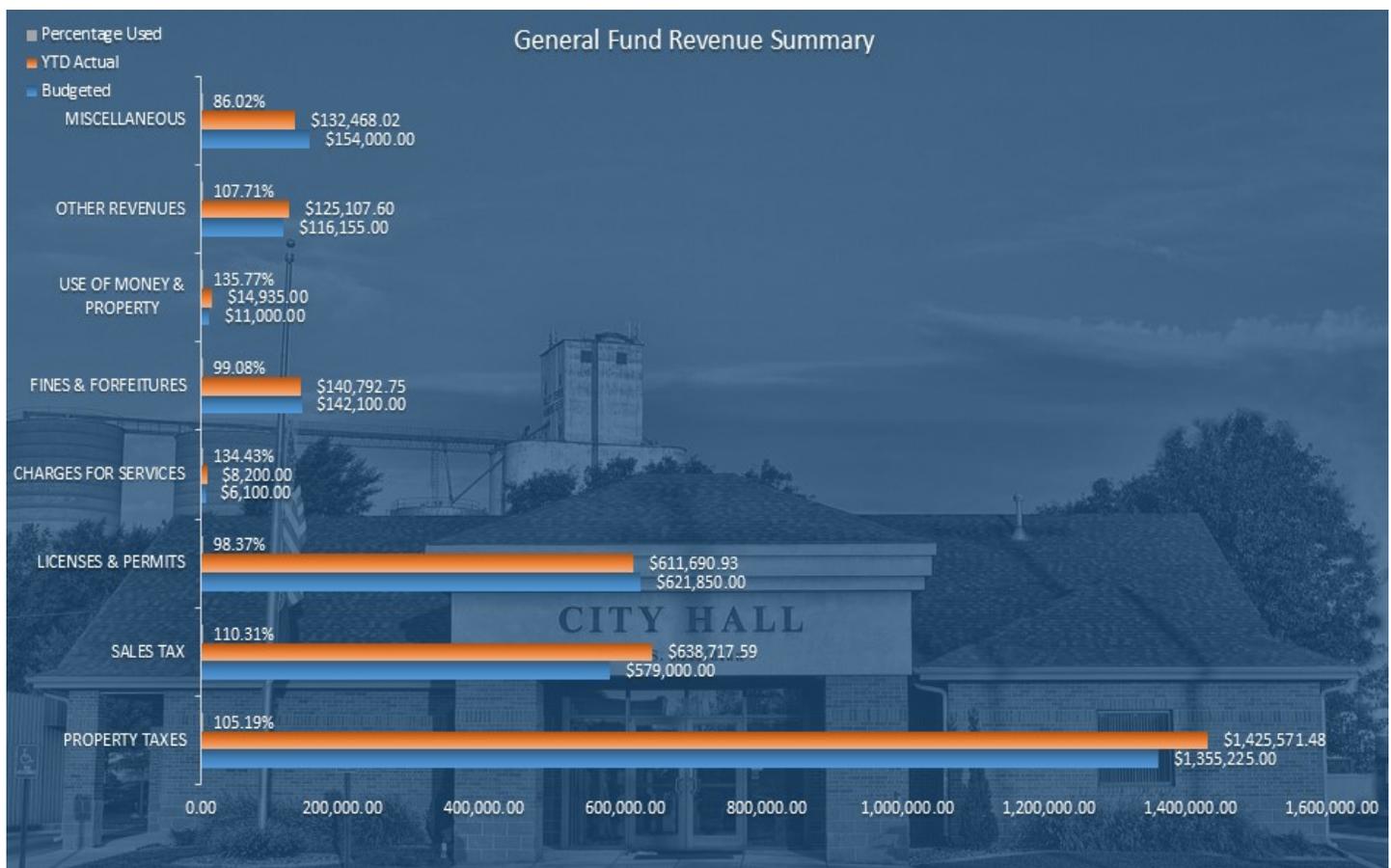


Governmental Funds



General Fund Revenue Summary

Revenues	Budgeted	YTD Actual	Percentage Used
TOTAL	2,985,430.00	3,097,483.37	103.75%
PROPERTY TAXES	\$ 1,355,225.00	\$ 1,425,571.48	105.19%
SALES TAX	\$ 579,000.00	\$ 638,717.59	110.31%
LICENSES & PERMITS	\$ 621,850.00	\$ 611,690.93	98.37%
CHARGES FOR SERVICES	\$ 6,100.00	\$ 8,200.00	134.43%
FINES & FORFEITURES	\$ 142,100.00	\$ 140,792.75	99.08%
USE OF MONEY & PROPERTY	\$ 11,000.00	\$ 14,935.00	135.77%
OTHER REVENUES	\$ 116,155.00	\$ 125,107.60	107.71%
MISCELLANEOUS	\$ 154,000.00	\$ 132,468.02	86.02%





Finance and Administration

Service Description: The **Administration and Finance Department provides central support services to the organization. It consists of the City** Administrator’s Office, Finance Department, City Treasurer and the Office of the City Clerk. All questions regarding the general management of the City and its financial operations ,including utility billing and records, are handled by this department. In addition, the Finance and Administration Department acts as Secretary for the City Council.

Accomplishments in 2019:

- Performed a market study to determine if the City of Valley Center can support a grocery store, the study showed positive results
- Partnered with Public Works administration to better streamline needs of organization and community
- Cross-trained within department to ensure a well rounded organization
- Presented Outcome-Based Budget to the City Council
- Provided enhanced services to senior program

Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	694,510.00	655,540.60	94.39%
SALARIES AND BENEFITS	412,787.00	452,591.33	109.64%
CONTRACTUAL SERVICES	174,423.00	176,677.81	101.29%
COMMODITIES	8,000.00	8,125.16	101.56%
CAPITAL OUTLAY	14,300.00	2,436.98	17.04%
OTHER COSTS/MISC.	85,000.00	15,709.32	18.48%





Community Development

Service Description:

- Serve as city staff to the City of Valley Center Planning and Zoning Board and Economic Development Board
- Direct City’s floodplain management program (CRS)
- Oversee all residential and commercial construction permits and zoning permits issued in the City of Valley Center
- Enforce and maintain zoning and subdivision regulations
- Direct economic development initiatives, such as tax abatements and business expansion/retention programs
- Oversee all residential construction project inspections

Accomplishments for 2019

- Actively marketed the City’s Land Bank lots and Housing Incentive Program through various campaigns, including WA-BA Home Show and interstate billboard
- Collaborated with the Chamber of Commerce and Main Street Valley Center on several community projects
- Hosted two state sponsored floodplain trainings
- Worked with other City departments on creating the new Master Bicycle and Pedestrian Plan
- Approved construction of Fieldcrest senior housing development which will create 40 new residential units for senior citizens in our community.
- Staff completed all ICC inspector certifications to perform all residential inspections on building projects

Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	234,990.00	220,753.58	93.94%
SALARIES AND BENEFITS	152,440.00	138,998.56	91.18%
CONTRACTUAL SERVICES	36,850.00	47,174.05	128.02%
COMMODITIES	3,500.00	1,358.10	38.80%
CAPITAL OUTLAY	12,200.00	4,053.52	33.23%
OTHER COSTS/MISC.	30,000.00	29,169.35	97.23%





Public Parks and Buildings

Service Description:

The Public Parks and Grounds department is responsible for many projects and activities such as:

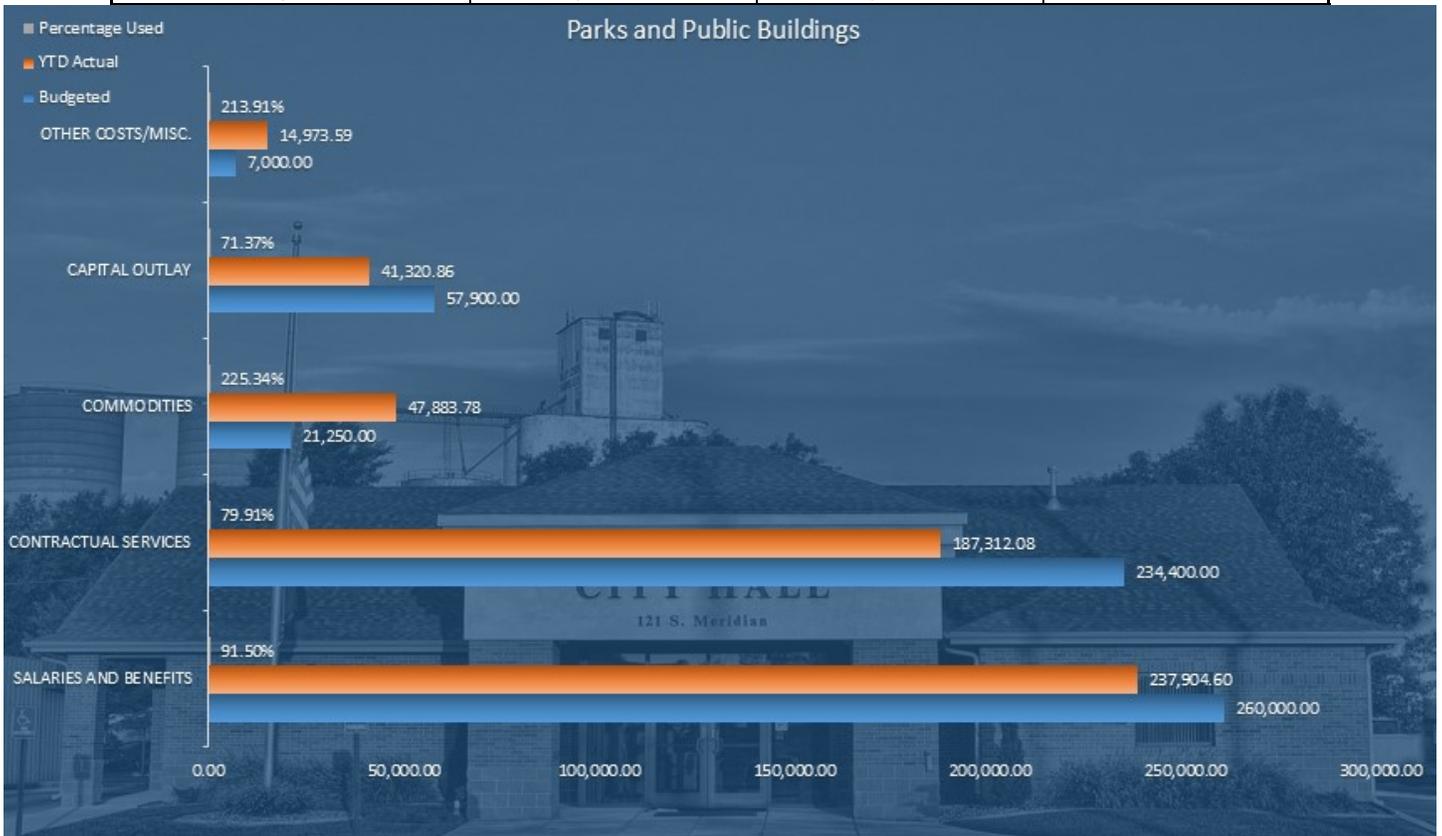
- City park system
- Public buildings & facilities

Accomplishments 2019:

- Completed Lions & McLaughlin Park Wi-Fi/Camera Access Project
- Worked with Community Service Groups on various projects: Painted Booster Station, Spread Fall Surfacing at Playground, Painted Site Amenities at Veterans Park, Flag Pole installed at Public Works, and Tree Planting on Emporia

- City Municipal Cemetery
- City swimming pool and splash pad
- Partner with volunteer and community service organizations
- Liaison for Outdoor Spaces & Public Properties Board
- Completed Ped/Bike Master Plan Update
- Added Wetland Park improvements
- Completed addition of HVAC equipment to Community Center/Library
- Completed Landscape Phase 1 and 2 at the Community Center/Library including installation of mulch and site amenities.

Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	580,550.00	529,394.91	91.19%
SALARIES AND BENEFITS	260,000.00	237,904.60	91.50%
CONTRACTUAL SERVICES	234,400.00	187,312.08	79.91%
COMMODITIES	21,250.00	47,883.78	225.34%
CAPITAL OUTLAY	57,900.00	41,320.86	71.37%
OTHER COSTS/MISC.	7,000.00	14,973.59	213.91%

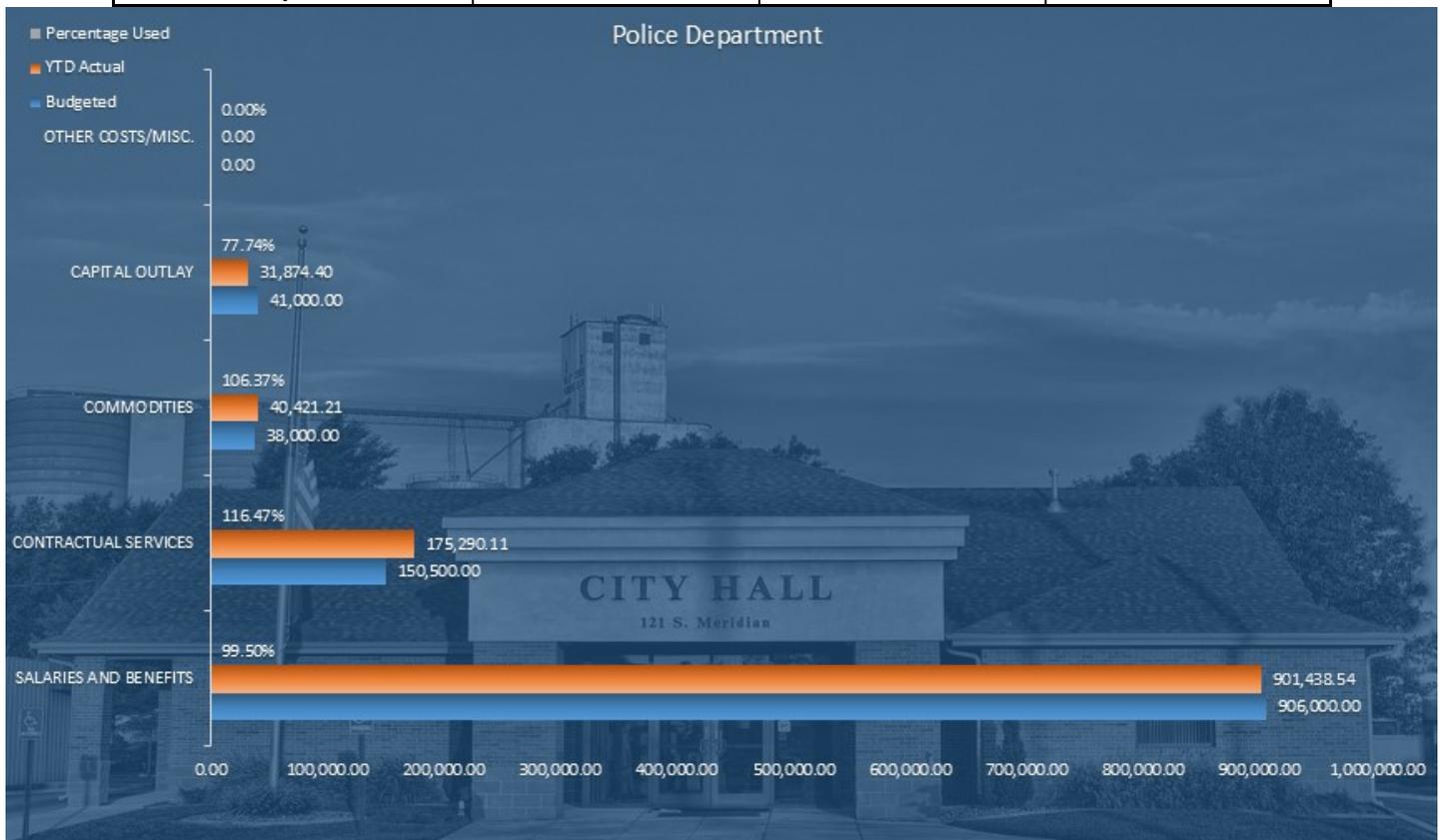


Service Description: The core services of the department are to preserve the peace, protect citizens and their property, investigate crimes for prosecution, enforce the laws of the city, state and federal government, and respond to emergencies, traffic accidents, medical emergencies, and crimes in progress.

Accomplishments 2019:

- Hired additional officer and promoted current officer to Sergeant. This fulfilled a recommendation from the Public Safety Study that we add a fourth supervisor to provide better coverage
- Begin department structure under lead of Public Safety Director
- Conducted first Citizen’s Police Academy
- Created a formal case screening process
- Captain Vogt and Sgt. Easley completed their Certified Public Manager’s coursework
- Implemented rank of Captain to be the second in command between the ranks of Chief and Sergeant.
- Participated in several community events throughout the year.

Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	1,135,500.00	1,149,024.26	101.19%
SALARIES AND BENEFITS	906,000.00	901,438.54	99.50%
CONTRACTUAL SERVICES	150,500.00	175,290.11	116.47%
COMMODITIES	38,000.00	40,421.21	106.37%
CAPITAL OUTLAY	41,000.00	31,874.40	77.74%
OTHER COSTS/MISC.	0.00	0.00	0.00%



*



Service Description:

- Fire Protection
- Fire Prevention Program
- Rescue
- Emergency Medical
- Special Assignments such as Inspections, Public Events, Blood Pressure Checks, Free Smoke Detector Program, and Burn Permits.

Accomplishments 2019:

- SQ-41 build process complete in 3 to 4 weeks
- Educated elementary schools in fire prevention
- Sent 2 firefighters to Fire Department Training Network
- Met EMT certification standards imposed by the state (EMT PREP)
- Scheduled and hosted Firefighter II class
- Received Kansas State Fire Marshall and Kansas State Forestry grants to obtain 20 sets of wildland firefighting equipment

Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	337,838.00	338,743.57	100.27%
SALARIES AND BENEFITS	229,188.00	247,813.97	108.13%
CONTRACTUAL SERVICES	87,950.00	70,036.15	79.63%
COMMODITIES	6,700.00	5,500.86	82.10%
CAPITAL OUTLAY	11,500.00	13,916.89	121.02%
OTHER COSTS/MISC.	2,500.00	1,475.70	59.03%



*



Legal and Municipal Court

Service Description:

- Process all misdemeanors and infractions, traffic and criminal, for payment or appearance in court
- Ensure proper handling of all court cases in a timely manner
- Monitor defendants on diversion or probation
- Issue warrants and driver license suspensions
- Maintain strong financial controls for fees and fines owed to the City
- Manage records of all court cases and defendants
- Proper transparency and reporting to external agencies

Accomplishments 2019:

- Established Food for Fines program in which, canned goods can be exchanged for up to \$50 on fines
- Establish systems to better streamline the warrant process
- Attend Spring and Fall municipal court conferences

Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	145,252.00	161,994.31	111.53%
SALARIES AND BENEFITS	46,222.00	38,770.08	83.88%
CONTRACTUAL SERVICES	78,300.00	101,617.16	129.78%
COMMODITIES	730.00	505.50	69.25%
CAPITAL OUTLAY	1,000.00	0.00	0.00%
OTHER COSTS/MISC.	19,000.00	21,101.57	111.06%



City of Valley Center, KS



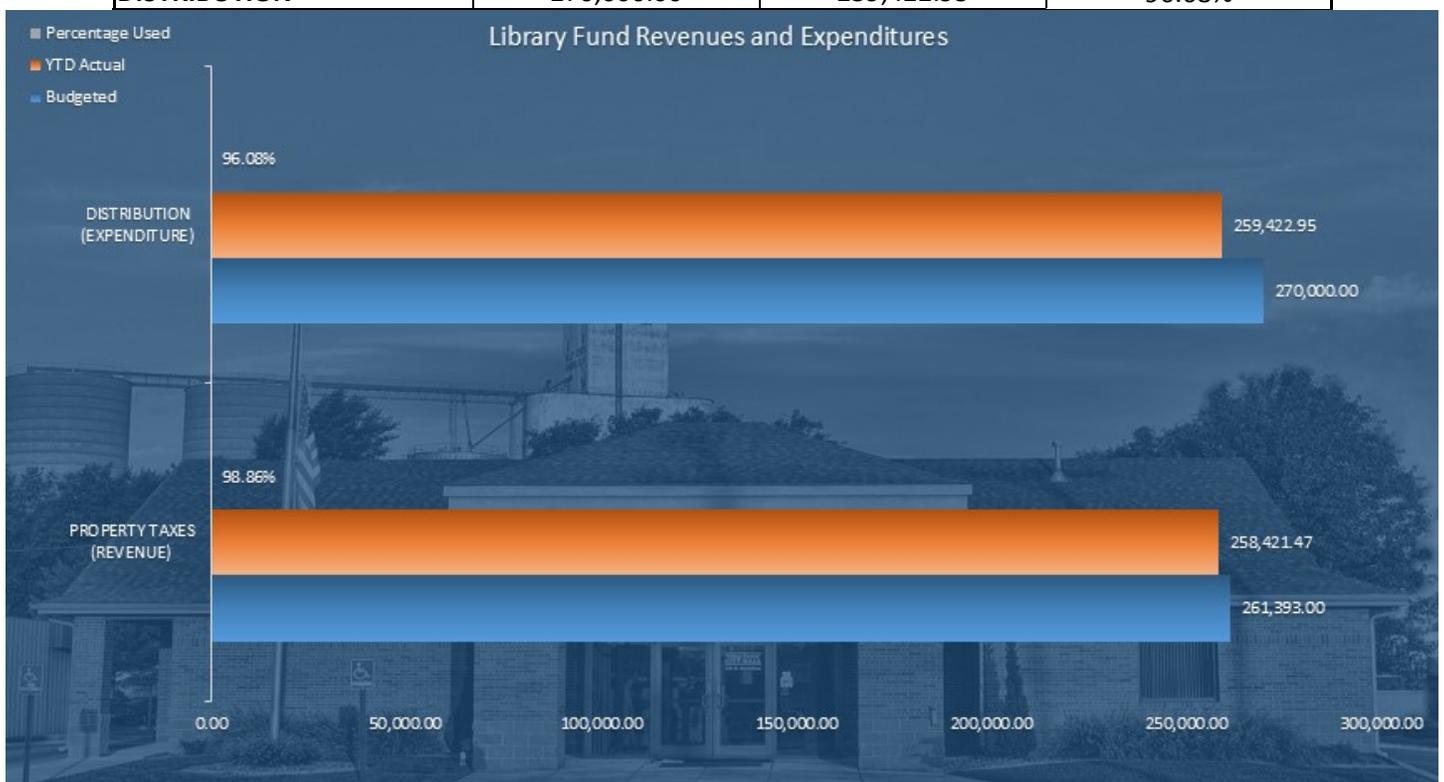
Other Taxing Funds

The City of Valley Center is the taxing authority for the Library, which essentially means the City taxes its residents on behalf of the Library. The taxes collected are passed through to the Library for operations. The City levies approximately 4.5 mills annually on behalf of the Library.

Programs offered by the Library include:

- Monthly family coloring nights, high school teen book discussions, and intermediate school parties
- Bi-Monthly family fun nights which include movies, celebrating holidays, games, crafts, and treats
- Summer reading programs for children of all ages
- Various fund raising programs such as ice cream socials and Barnes & Noble storytelling
- Operation gratitude involved local citizens coming together to knit and crochet scarves to be sent to military service members

Revenues	Budgeted	YTD Actual	Percentage Used
TOTAL	261,393.00	258,421.47	98.86%
PROPERTY TAXES	261,393.00	258,421.47	98.86%
Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	270,000.00	259,422.95	96.08%
DISTRIBUTION	270,000.00	259,422.95	96.08%



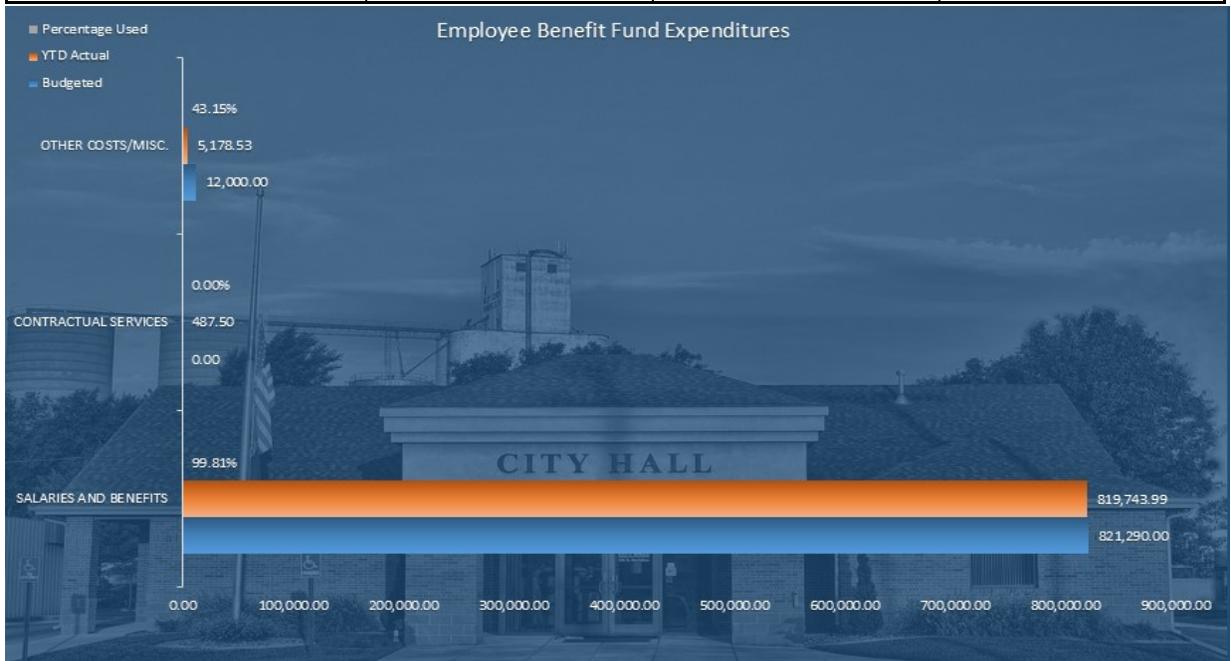


Employee Benefit Fund

Revenues	Budgeted	YTD Actual	Percentage Used
TOTAL	577,069.00	686,984.84	119.05%
PROPERTY TAXES	577,069.00	567,307.65	98.31%
INTERGOVERNMENTAL	0.00	103,298.99	0.00%
OTHER REVENUES	0.00	16,378.20	0.00%



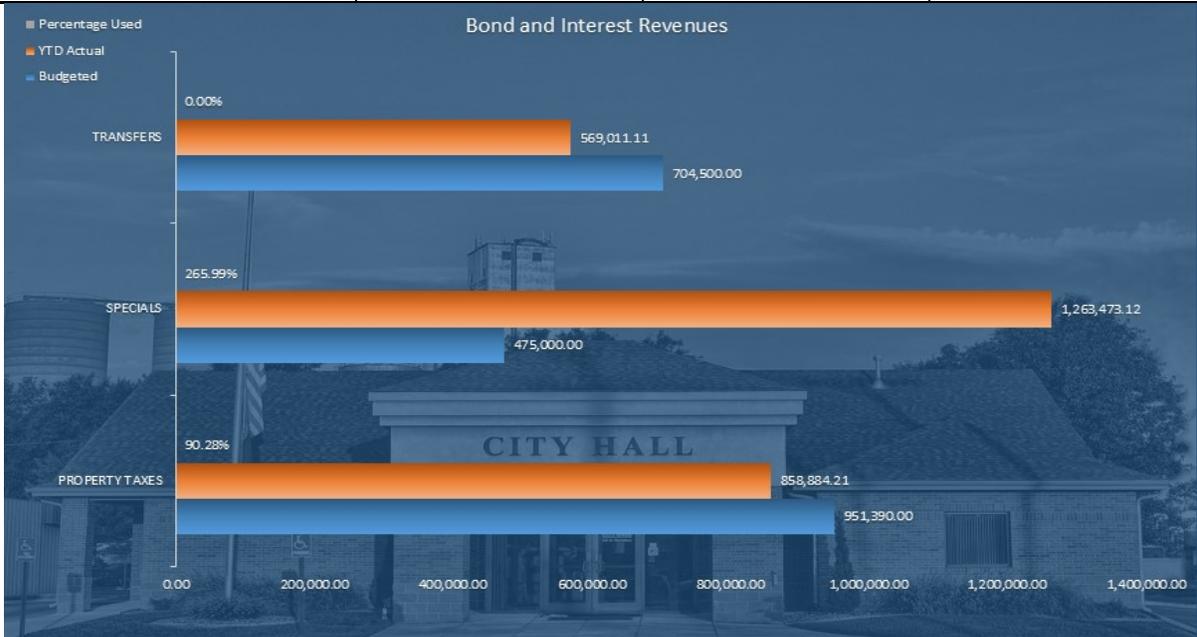
Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	833,290.00	825,410.02	99.05%
SALARIES AND BENEFITS	821,290.00	819,743.99	99.81%
CONTRACTUAL SERVICES	0.00	487.50	0.00%
OTHER COSTS/MISC.	12,000.00	5,178.53	43.15%



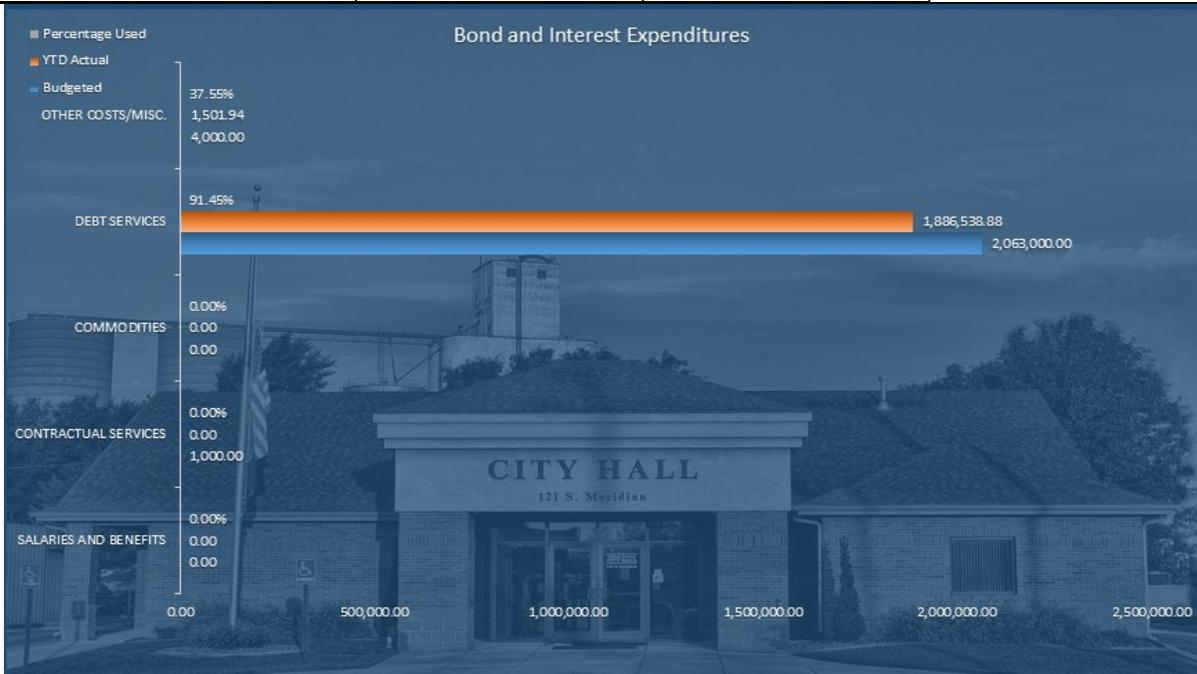


Bond & Interest Fund

Revenues	Budgeted	YTD Actual	Percentage Used
TOTAL	2,130,890.00	2,691,368.44	126.30%
PROPERTY TAXES	951,390.00	858,884.21	90.28%
SPECIALS	475,000.00	1,263,473.12	265.99%
TRANSFERS	704,500.00	569,011.11	0.00%



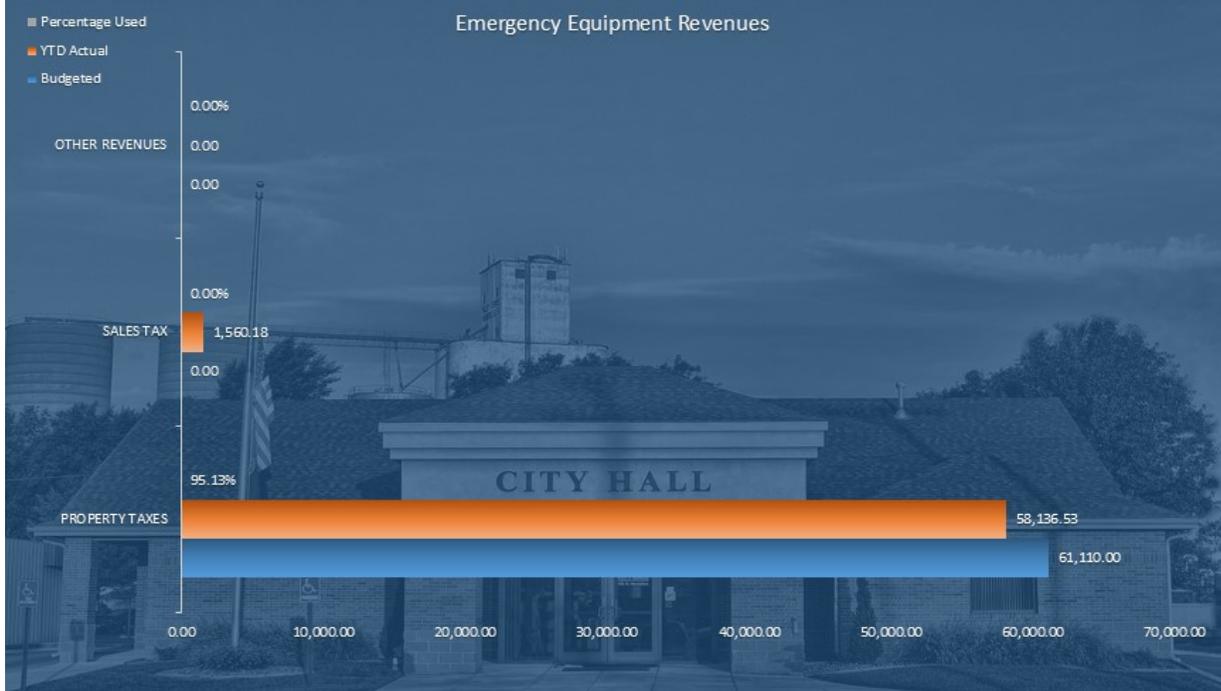
Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	2,068,000.00	1,888,040.82	91.30%
SALARIES AND BENEFITS	0.00	0.00	0.00%
CONTRACTUAL SERVICES	1,000.00	0.00	0.00%
COMMODITIES	0.00	0.00	0.00%
DEBT SERVICES	2,063,000.00	1,886,538.88	91.45%
OTHER COSTS/MISC.	4,000.00	1,501.94	37.55%





Emergency Equipment Fund

Revenues	Budgeted	YTD Actual	Percentage Used
TOTAL	61,110.00	59,696.71	97.69%
PROPERTY TAXES	61,110.00	58,136.53	95.13%
OTHER REVENUES	0.00	1,560.18	0.00%



Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	102,945.00	66,964.62	65.05%
SALARIES AND BENEFITS	0.00	0.00	0.00%
CONTRACTUAL SERVICES	0.00	0.00	0.00%
COMMODITIES	0.00	0.00	0.00%
CAPITAL OUTLAY	102,945.00	66,739.32	64.83%
OTHER COSTS/MISC.	0.00	225.30	0.00%



City of Valley Center, KS

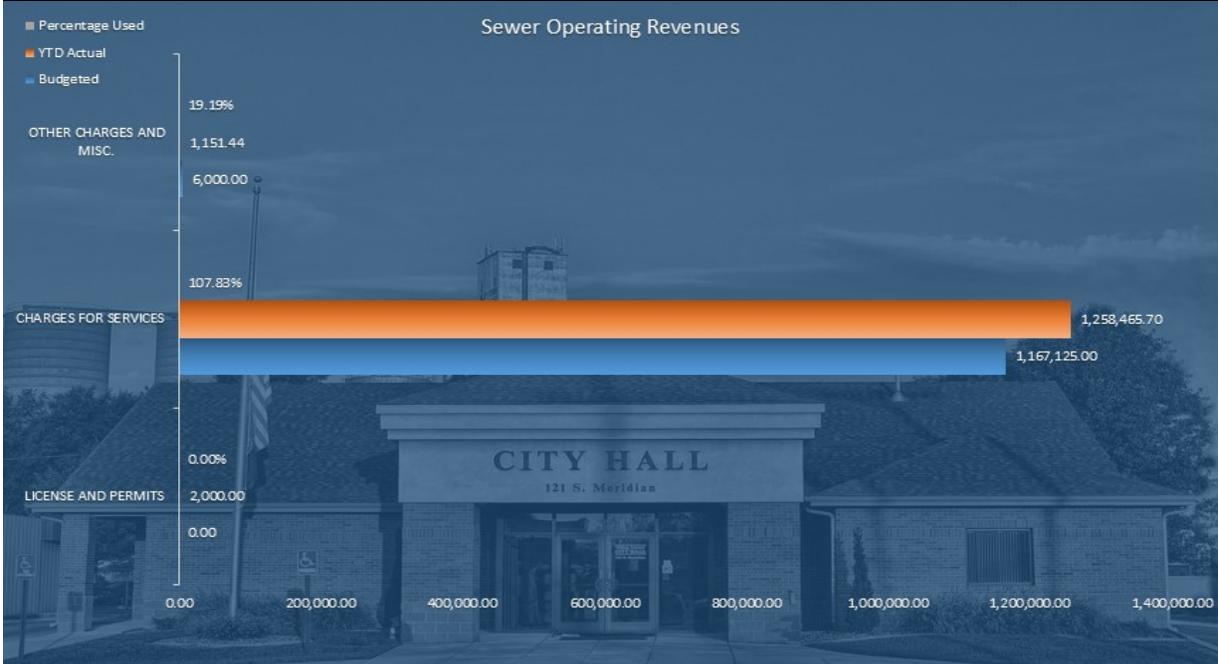


Enterprise Funds



Sewer Fund

Revenues	Budgeted	YTD Actual	Percentage Used
TOTAL	1,173,125.00	1,261,617.14	107.54%
LICENSE AND PERMITS	0.00	2,000.00	0.00%
CHARGES FOR SERVICES	1,167,125.00	1,258,465.70	107.83%
OTHER CHARGES AND MISC.	6,000.00	1,151.44	19.19%



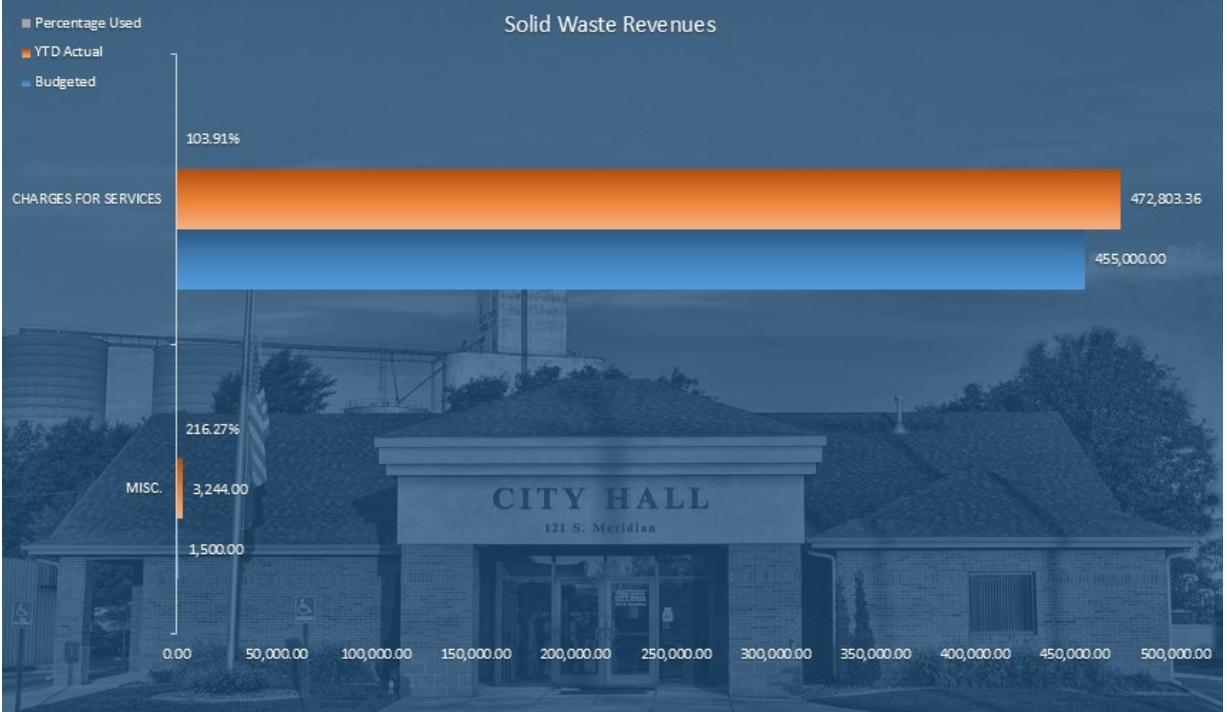
Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	1,154,212.00	1,062,038.03	92.01%
SALARIES AND BENEFITS	297,062.00	242,365.07	81.59%
CONTRACTUAL SERVICES	404,650.00	416,484.66	102.92%
COMMODITIES	30,000.00	19,310.26	64.37%
CAPITAL OUTLAY	117,500.00	103,878.04	88.41%
TRANSFERS	305,000.00	280,000.00	91.80%





Solid Waste Fund

Revenues	Budgeted	YTD Actual	Percentage Used
TOTAL	456,500.00	476,047.36	104.28%
MISC.	1,500.00	3,244.00	216.27%
CHARGES FOR SERVICES	455,000.00	472,803.36	103.91%



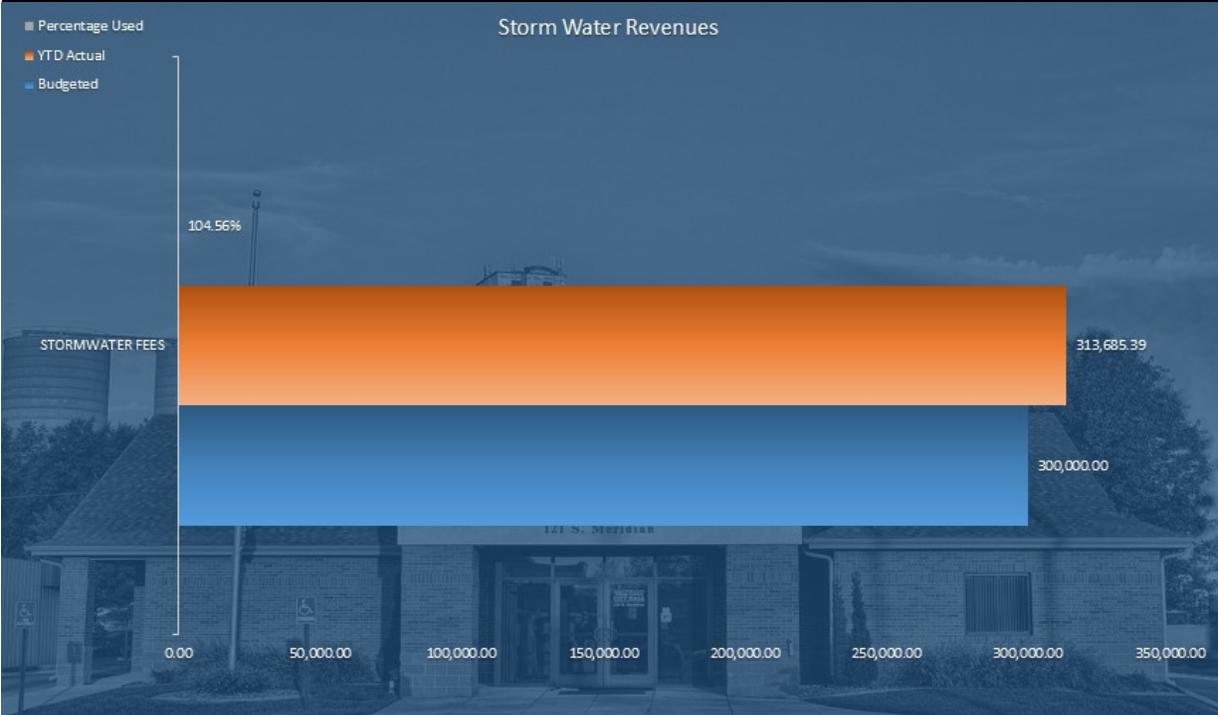
Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	506,000.00	473,798.94	93.64%
CONTRACTUAL SERVICES	465,000.00	458,798.94	98.67%
CAPITAL OUTLAY	26,000.00	0.00	0.00%
TRANSFERS	15,000.00	15,000.00	100.00%



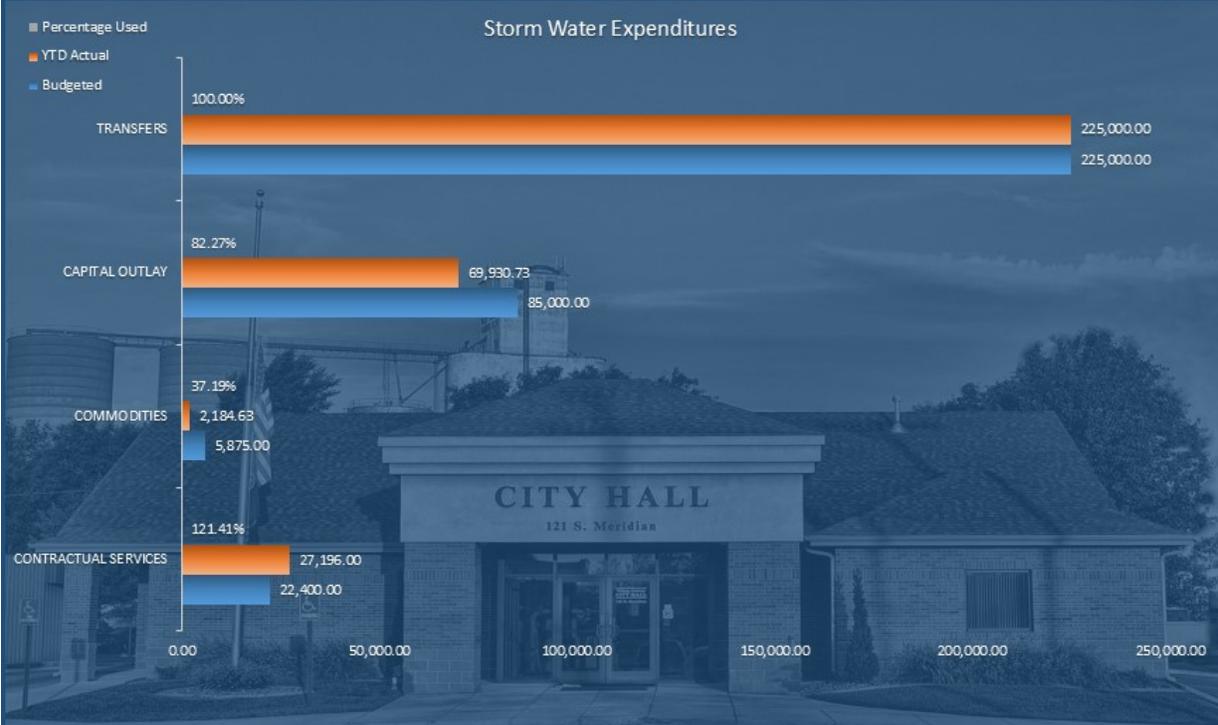


Stormwater Fund

Revenues	Budgeted	YTD Actual	Percentage Used
TOTAL	300,000.00	313,685.39	104.56%
STORMWATER FEES	300,000.00	313,685.39	104.56%



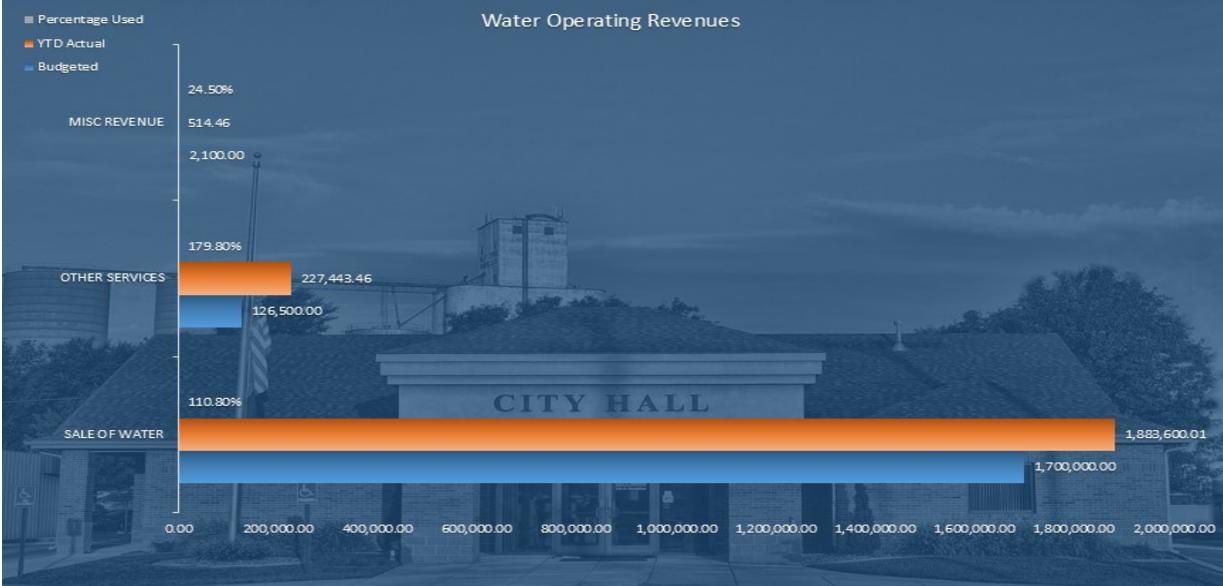
Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	338,275.00	324,311.36	95.87%
CONTRACTUAL SERVICES	22,400.00	27,196.00	121.41%
COMMODITIES	5,875.00	2,184.63	37.19%
CAPITAL OUTLAY	85,000.00	69,930.73	82.27%
TRANSFERS	225,000.00	225,000.00	100.00%





Water Fund

Revenues	Budgeted	YTD Actual	Percentage Used
TOTAL	1,828,600.00	2,111,557.93	115.47%
SALE OF WATER	1,700,000.00	1,883,600.01	110.80%
OTHER SERVICES	126,500.00	227,443.46	179.80%
MISC REVENUE	2,100.00	514.46	24.50%



Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	1,724,280.00	1,706,433.39	98.96%
SALARIES AND BENEFITS	364,180.00	332,706.16	91.36%
CONTRACTUAL SERVICES	697,600.00	826,243.02	118.44%
COMMODITIES	45,500.00	28,127.23	61.82%
CAPITAL OUTLAY	118,500.00	140,856.98	118.87%
RESERVES AND MISC.	200,000.00	100,000.00	50.00%
TRANSFERS	298,500.00	278,500.00	93.30%



City of Valley Center, KS



Special Revenue Funds



Special Revenue Funds

The purpose of The Special Alcohol and Drug Fund is for drug and alcohol education. These monies are required to be used in these areas alone per state statute. The City predominately uses this fund to increase educational awareness of the effects of drugs and alcohol.



The Special Parks and Rec Fund has been used to improve the quality of life in the City's parks.

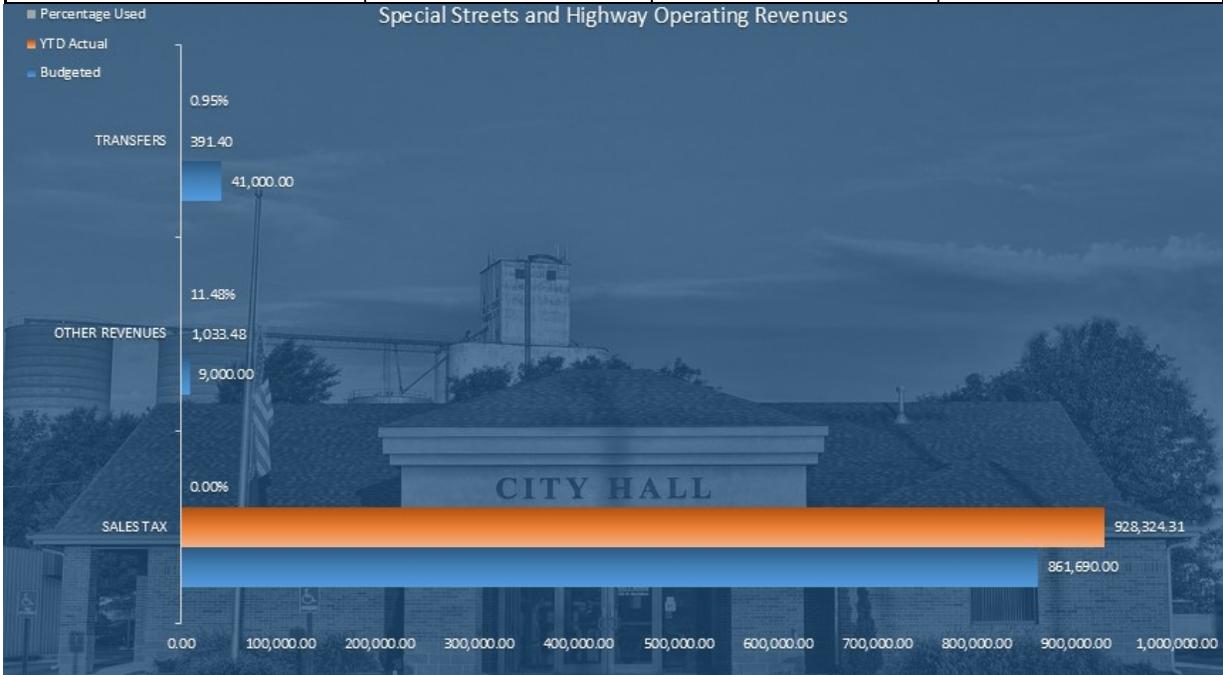
Some improvements include sidewalk enhancements and the building of trails for citizens to use. This fund has also been used for the addition of security cameras in the park to further enhance the quality of life for our citizens.

Fund	Beginning Balance	Revenue	Expenditure	Ending Balance
Special Parks and Rec	15,664.45	4,787.72	0.00	20,452.17
Special Alcohol and Drugs	38,449.09	4,787.75	267.08	43,019.76
Special Streets and Highway	407,779.95	929,749.19	792,200.17	545,328.97



Special Streets and Highway Fund

Revenues	Budgeted	YTD Actual	Percentage Used
TOTAL	911,690.00	929,749.19	101.98%
TAX	861,690.00	928,324.31	0.00%
OTHER REVENUES	9,000.00	1,033.48	11.48%
MISC.	41,000.00	391.40	0.95%



Expenditures	Budgeted	YTD Actual	Percentage Used
TOTAL	1,015,383.00	792,200.17	78.02%
SALARIES AND BENEFITS	333,783.00	273,379.53	81.90%
CONTRACTUAL SERVICES	62,800.00	53,987.74	85.97%
COMMODITIES	78,800.00	50,876.60	64.56%
CAPITAL OUTLAY	531,000.00	409,956.30	77.20%
TRANSFERS	9,000.00	4,000.00	44.44%



City of Valley Center, KS



Debt Management



Debt Management

The City of Valley Center Debt Policy states:

The City shall comply with the debt limits of the state of Kansas, and seek to minimize debt when it is used.

The City will not engage in debt financing unless the proposed obligation, when combined with all existing debts, will result in debt ratios throughout the life of the proposed obligation that are less than the following benchmarks:

Per capita direct debt will not exceed \$500

Per capita direct, overlapping and underlying debt will not exceed \$3,000

Direct debt as a percentage of estimated full market value will not exceed 1.5%

Direct, overlapping and underlying debt as a percentage of estimated full market value will not exceed 6.0%

Annual debt service will not exceed 20% of budgeted expenditures

The legal debt limit for a municipality in the state of Kansas according to K.S.A. 10-308 is 30% of the municipality's assessed valuation. Exceptions to this rule are stated in K.S.A. 10-309 which states:

“Notwithstanding the provisions of K.S.A. 10-308, and amendments thereto: (a) Bonds issued by any city for the purpose of acquiring, enlarging, extending or improving any storm or sanitary sewer system; or (b) bonds issued by any city for the purpose of acquiring, enlarging, extending or improving any municipal utility; or (c) bonds issued by any city to pay the cost of improvements to intersections of streets and alleys or that portion of any street immediately in front of city or school district property, shall not be included in computing the total bonded indebtedness of the city for the purposes of determining the limitations on bonded indebtedness provided in K.S.A. 10-308, and amendments thereto.”

Type of Debt	Date of Issue	Date of Maturity	Interest Rate %	Date Due		Amount of Issue	2021 INTER-EST	2021 PRINCIPAL	Outstanding Balance
				Interest	Principal				
2007-1 G.O. Bond	11/15/2007	12/1/2019	4.29	6/1	12/1	\$ 710,000			
2009-1 G.O. Bond	9/10/2009	12/1/2024	4.00	6/1	12/1	\$ 1,395,000			
2010-1 G.O. Bond	6/15/2010	12/1/2025	3.00	6/1	12/1	\$ 2,005,000	\$ 8,457	\$ 35,000	\$ 225,000
2012-1 G.O. Bond	5/1/2012	12/1/2027	3.00	6/1	12/1	\$ 4,665,000	\$ 58,500	\$ 300,000	\$ 1,950,000
2012-2 G.O. Bond	5/1/2012	12/1/2032	3.00	6/1	12/1	\$ 2,065,000	\$ 37,038	\$ 130,000	\$ 1,260,000
2012-3 G.O. Bond	5/1/2012	12/1/2027	3.00	6/1	12/1	\$ 2,650,000			
2013-1 G.O. Bond	3/1/2013	12/1/2033	3.00	6/1	12/1	\$ 6,635,000	\$ 120,063	\$ 245,000	\$ 4,000,000
2016-1-G.O. Bond	6/1/2016	12/1/2036	3.00	6/1	12/1	\$ 4,490,000	\$ 95,450	\$ 195,000	\$ 4,035,000
2017-1-G.O. Bond	11/1/2017	12/1/2032	4.00	6/1	12/1	\$ 3,030,000	\$ 71,208	\$ 270,000	\$ 2,635,000
2018-1-G.O. Bond	8/23/2018	12/1/2038	3.00	6/1	12/1	\$ 1,470,000	\$ 48,603	\$ -	\$ 1,470,000
2019-1 Temp Note				6/1	12/3				
2019-1-G.O. Bond	5/23/2019	12/1/2039	3.00	6/1	12/1	\$ 3,980,000	\$ 201,162	\$ 85,000	\$ 3,980,000
2020-1-G.O. Bond	2/6/2020	12/1/2044		6/1	12/1	\$ 4,675,000			
Other									
2007 KWPCRLF Sewer	7/26/2007	3/1/2029	2.51	3/1	9/1	\$ 3,299,870	\$ 36,835	\$ 167,739	\$ 1,671,503
TOTAL									\$21,226,503



Debt Management

Debt Summary

The following table summarizes certain key statistics with respect to the Issuer's tax and assessment supported general obligation debt, including the Bonds:

Debt Summary (As of January 1, 2020)	City Debt*	Less Self Supporting Debt
Assessed Valuation ²	\$62,563,134	\$62,563,134
Estimated Actual Valuation ¹	\$391,019,588	\$391,019,588
Outstanding General Obligation Debt.....	\$24,230,000	\$24,230,000
Legal Limitation of Bonded Debt ³	\$18,768,940	\$18,768,940
Exempt Debt.....	\$20,103,988	-----
Net Debt against Debt Limit Capacity.....	\$4,126,012	-----
Additional legal debt capacity.....	\$14,642,928	-----
Less Self Supporting debt ⁴	-----	\$545,000
Non Self Supporting Debt.....	-----	\$23,685,000
Overlapping debt ⁵	\$12,451,529	\$12,451,529
Direct debt per capita (7,343 population).....	\$3,299.74	\$3,225.52
Direct and overlapping debt per capita.....	\$4,995.44	\$4,921.22
Direct debt as a percentage of Assessed Valuation.....	38.78%	37.86%
Statutory Direct debt as a percentage of Assessed Valuation.....	6.59%	-----
Direct debt as a percentage of Estimated Actual Valuation.....	6.20%	6.06%
Direct & overlapping debt as a percentage of Assessed Valuation.....	58.63%	57.76%
Direct & overlapping debt as a percentage of Estimated Actual Valuation.....	9.38%	9.24%

¹ See "Property Valuations" *infra*.

² The final certified assessed value of all tangible taxable property within the City. Also includes the taxable value of motor vehicles within the City. See K.S.A. 10-301 *et seq*.

³ Based upon assessed value of all tangible taxable property within the City. See K.S.A. 10-301 *et seq*.

⁴ A portion of the City's Series 2012-1 Bonds are payable from net revenues of the Water Utility System.

⁵ The overlapping debt includes the debt of USD 262 and USD 259. The State established the CIF in 1992 to assist school districts on making principal and interest payments on voted general obligation bond issues. Each school district that is obligated to make payments from its bond and interest fund is entitled to receive state aid from the CIF. A school district's entitlement of state aid from the CIF each year is determined by applying its state aid percentage factor to the bond and interest fund payment obligation for that year. Although the CIF has provided state aid in each year since its inception, no assurance can be given that state aid will continue in future years. However, the District is obligated to levy unlimited ad valorem taxes to provide for debt service payments on its outstanding general obligation bonds, including the Bonds, regardless of any state aid.

City of Valley Center, KS



Fund Balance Summary



Fund Balance Summary

FUND	Balance 1/1/2019	YTD Revenues	YTD Expenditures	Balance 12/31/2019	Fund Balance +/-	Change %
GENERAL FUND	\$876,728	\$3,097,483.37	\$3,055,451.23	\$918,790	\$42,062.00	4.8%
LIBRARY	\$1,001.90	\$258,421.47	\$259,422.95	\$0.42	(\$1,001.48)	-100.0%
EMPLOYEE BENEFITS	\$312,756.88	\$686,984.84	\$825,410.02	\$174,331.70	(\$138,425.18)	-44.3%
EMERGENCY EQUIPMENT	\$112,705.40	\$59,696.71	\$66,964.62	\$105,437.49	(\$7,267.91)	-6.4%
BOND & INTEREST	\$340,900.35	\$2,691,368.44	\$1,888,040.82	\$1,144,227.97	\$803,327.62	235.6%
LAND BANK RESERVE	\$5,941.96	\$40,000.00	\$10,370.86	\$35,571.10	\$29,629.14	498.6%
WATER OPERATING	\$1,350,597	\$2,111,557.93	\$1,706,395.14	\$1,755,760	\$405,163.00	30.0%
STORMWATER UTILITY FUND	\$225,901.25	\$313,685.39	\$324,311.36	\$215,275.28	(\$10,625.97)	-4.7%
SOLID WASTE UTILITY	\$158,382.60	\$476,047.36	\$473,832.94	\$160,597.02	\$2,214.42	1.4%
SEWER OPERATING	\$723,806	\$1,261,617.14	\$1,062,038.03	\$923,386	\$199,580.00	27.6%
SPECIAL STREETS & HIGHWAY	\$407,779.95	\$929,749.19	\$792,200.17	\$545,328.97	\$137,549.02	33.7%
SPECIAL PARKS AND REC	\$15,664.45	\$4,787.72	\$0.00	\$20,452.17	\$4,787.72	30.6%
SPECIAL ALCOHOL & DRUGS	\$36,783	\$4,787.75	\$267.08	\$41,304	\$4,521.00	12.3%
GRAND TOTAL	\$4,568,948.74	\$11,936,187.31	\$10,464,705.22	\$6,040,462.12	\$1,471,513.38	32.2%

Explanations for Significant Changes in Fund Balance

EMPLOYEE BENEFITS

This reduction in fund balance was planned and budgeted for 2019.

BOND AND INTEREST

The significant increase in fund balance was due to the lump sum payoff of the special tax on the duplexes in the Ridgefield addition.

LAND BANK RESERVE

Multiple lots were sold near the end of 2019 resulting in an increased fund balance.

WATER OPERATING

This increase in fund balance is a result of conservative revenue budgeting in 2019

SEWER OPERATING

The sewer department had staff transition resulting in surplus funds, additionally, there were fewer repairs needed in 2019 resulting in the increased fund balance.

SPECIAL STREETS & HIGHWAY

The streets department was conserving funds for an equipment purchase in early 2020.