

CITY OF BASEHOR, KANSAS

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

Prepared by:

Finance Department
City of Basehor, Kansas

**CITY OF BASEHOR, KANSAS
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

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FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council
City of Basehor, Kansas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Basehor, Kansas (the City) as of and for the year ended December 31, 2023 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, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund, consolidated highway fund, and employee benefit 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) 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.

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

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 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, 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 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 table of contents 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.

BT+ Co., P.A.

August 7, 2024
Topeka, Kansas

CITY OF BASEHOR, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

As management of the City of Basehor (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, 2023. The City of Basehor is the 2nd fastest growing city in Kansas with a population of 5,000 or more. The City maintains a AA+ long-term rating from S&P Global Ratings, attributable to strong reserves, very strong financial management, and a minimal debt burden. We encourage readers to consider the information presented here along with the City's basic financial statements and the related notes to the basic financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City increased 18.54% from 2022. Total assets and deferred outflows of resources at December 31, 2023 was \$73,506.851 compared to \$62,010,581 at December 31, 2022.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2023 by \$37,788,928 (net position).
- The City's total net position increased by \$1,845,978 from 2022. The Governmental Activities increased \$957,836 and the Business Type Activities increased \$888,142.
- The City's total assets at December 31, 2023 were \$72,735,547 with a breakdown of \$53,878,653 in Governmental Activities and \$18,856,894 in Business type Activities. The City had capital asset additions of \$6,886,900, with the capital assets being net of accumulated depreciation, where applicable.
- As of December 31, 2023, the City's governmental funds reported combined ending fund balances of \$23,736,056, an increase of \$3,467,144 from the prior year. A primary reason for the overall increase in fund balance of the City's governmental funds was attributable to receiving the bond proceeds for the 2023(A) bond issuance in 2023.
- At December 31, 2023, the fund balance for the General Fund was \$4,134,669 or 74.02% of general fund revenues.
- The City's total debt increased by \$8,318,422 during 2023 to a total of \$30,131,038. This is due to the bond issuance of the 2023(A) bond issuance.
- The Net Pension Liability as of the end of the year is \$2,478,494, an increase of \$324,492.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and 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 a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, 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 government activities of the City include general government, public safety, public works, and community services. The business-type activities of the City include sewer and solid waste.

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

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 financing requirements. Because the focus of the 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 governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities. The City maintains 14 individual governmental funds. This number of funds increased from 2022 with the establishment of the Assistance Fund. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Consolidated Highway Fund, Capital Improvements Fund, Employee Benefit Fund, and Bond and Interest Fund, all of which are considered to be major funds.

The City adopts an annual appropriated budget of which the General Fund is the primary fund. A budgetary comparison statement has been provided for this fund and other major funds to demonstrate compliance with this budget.

Proprietary funds

The City maintains two different types of proprietary funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Proprietary funds to account for its sewer operation and solid waste operation. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the Basic Financial Statements

The notes to the basic financial statements are included in the report. They provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

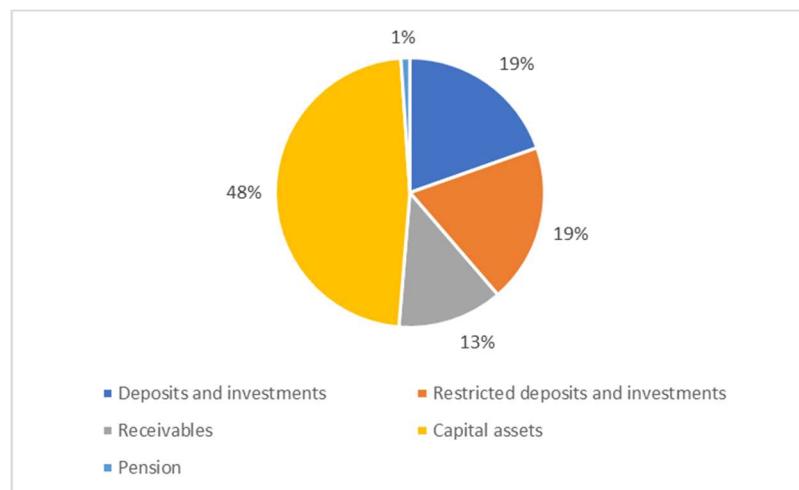
Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,788,928 at December 31, 2023. The City's net position increased by \$1,845,978. Governmental activities increased net position by \$957,836 while business-type activities increased net position by \$888,142 in 2023.

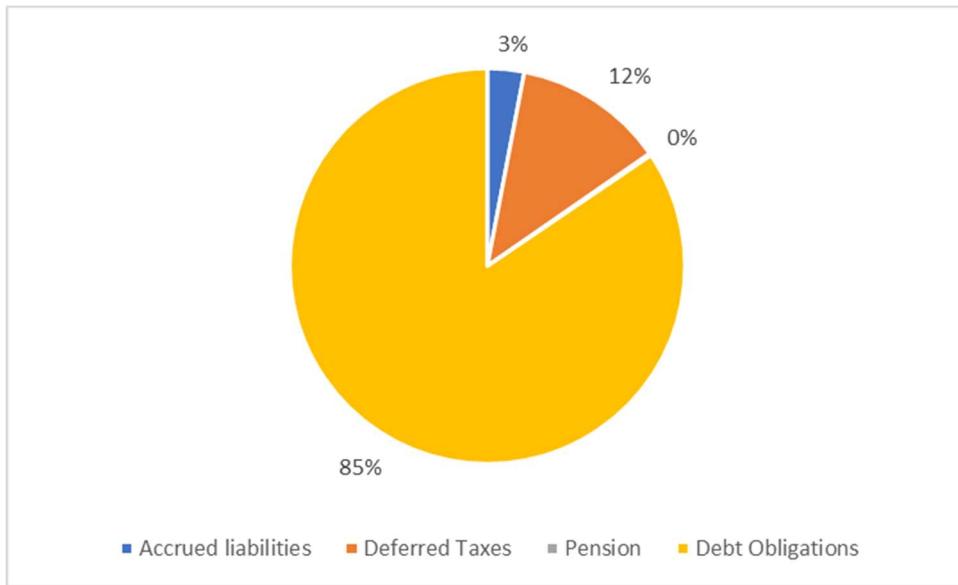
The following is a comparative summary of Statements of Net Position at December 31, 2023 and 2022:

	Governmental Activities		Business Type Activities		Totals	
	2022	2023	2022	2023	2022	2023
ASSETS						
Current and other assets	\$ 28,354,349	\$ 32,786,097	\$ 4,213,718	\$ 5,640,205	\$ 32,568,067	\$ 38,426,302
Capital assets	\$ 15,198,964	\$ 21,092,556	\$ 13,497,640	\$ 13,216,689	\$ 28,696,604	\$ 34,309,245
Total Assets	\$ 43,553,313	\$ 53,878,653	\$ 17,711,358	\$ 18,856,894	\$ 61,264,671	\$ 72,735,547
DEFERRED OUTFLOWS						
	\$ 745,910	\$ 771,304	\$ -	\$ -	\$ 745,910	\$ 771,304
LIABILITIES						
Current and other liabilities	\$ 1,261,861	\$ 1,004,467	\$ 368,397	\$ 67,201	\$ 1,630,258	\$ 1,071,668
Long-term liabilities	\$ 18,404,482	\$ 27,385,432	\$ 2,187,016	\$ 2,745,606	\$ 20,591,498	\$ 30,131,038
Total Liabilities	\$ 19,666,343	\$ 28,389,899	\$ 2,555,413	\$ 2,812,807	\$ 22,221,756	\$ 31,202,706
DEFERRED INFLOWS						
	\$ 3,845,875	\$ 4,515,217	\$ -	\$ -	\$ 3,845,875	\$ 4,515,217
NET POSITION						
Net investments in capital assets	\$ 6,955,865	\$ 8,460,206	\$ 11,010,624	\$ 11,000,971	\$ 17,966,489	\$ 19,461,177
Restricted	\$ 19,857,807	\$ 23,188,655	\$ -	\$ -	\$ 19,857,807	\$ 23,188,655
Unrestricted	\$ (6,026,667)	\$ (9,904,020)	\$ 4,145,321	\$ 5,043,116	\$ (1,881,346)	\$ (4,860,904)
Total Net Position	\$ 20,787,005	\$ 21,744,841	\$ 15,155,945	\$ 16,044,087	\$ 35,942,950	\$ 37,788,928

The largest portion of the City's net assets, 48%, reflects its investments in capital assets (e.g. land, buildings, equipment, improvements, and infrastructure) and cash, 19%, reflects investments in certificate of deposits, bank accounts, and municipal investment pool.



The following is an allocation of the liabilities and deferred inflow of resources at December 31, 2023:

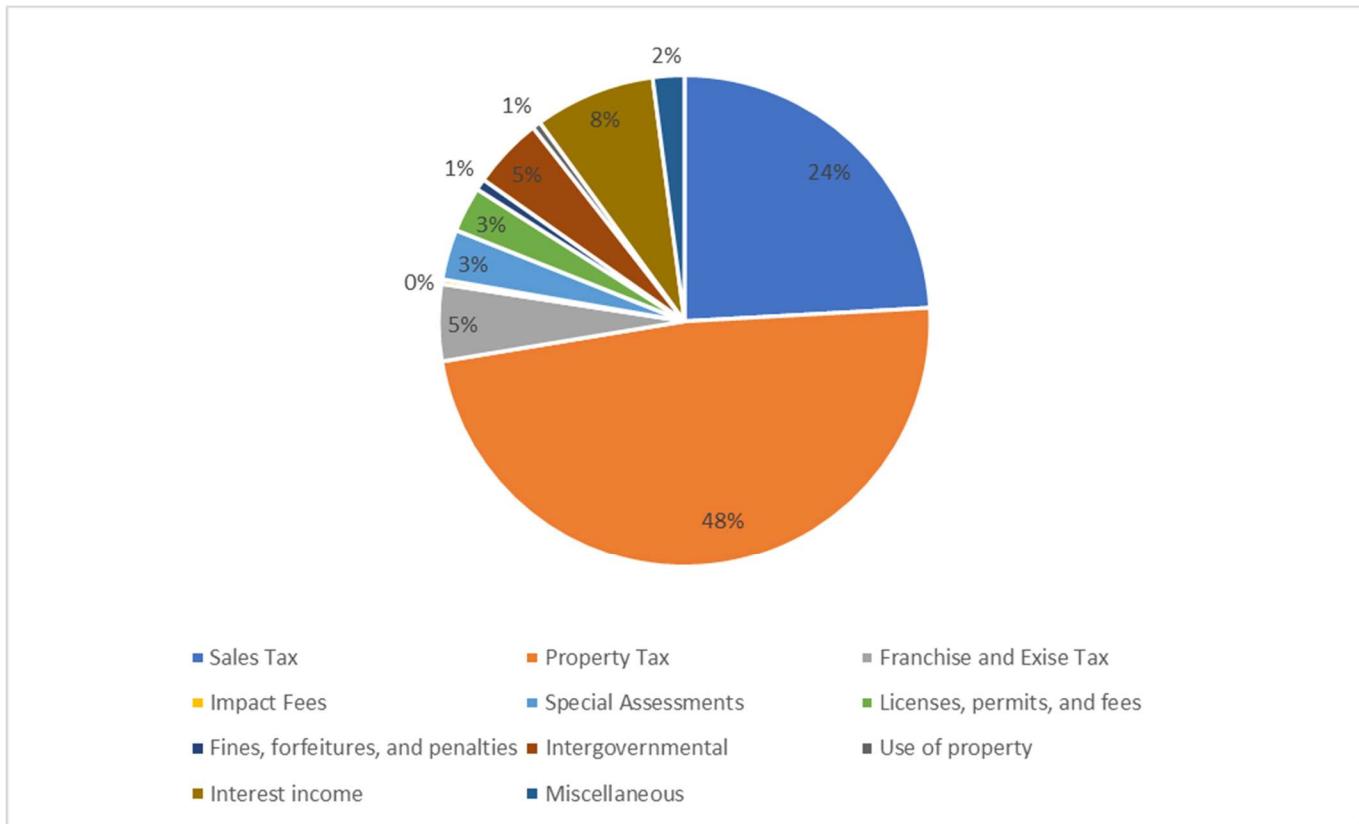


General obligation bonds account for 85% of the total liabilities.

The City has a Current Ratio of 2.32 at December 31, 2023. The Current Ratio compares the current assets to current liabilities. This ratio determines whether the City can meet its current obligations. The current ratio in 2022 was 2.76. A ratio greater than 2 is considered excellent.

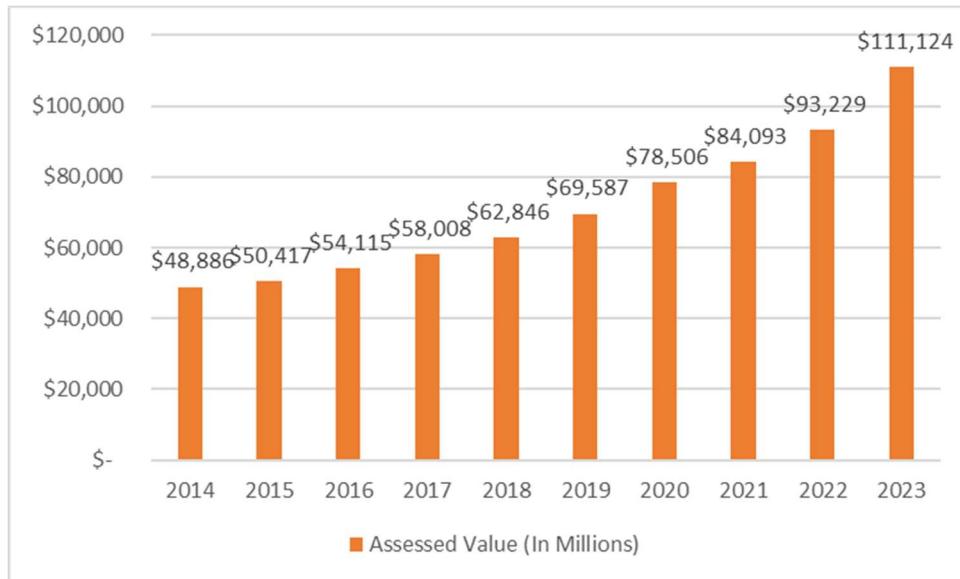
Analysis of the City's Operations – Overall the City had an increase in total assets of \$11,470,876. Tax revenues (including property and sales) outperformed the budgeted amount by \$332,141. Sewer and solid waste charges increased by 6.49% which was related to an increase in building permit activity in 2023. Sewer and solid waste operating expenses decreased by 4.16% to \$1,863,319 in 2023 compared to \$1,944,112 in 2022. A statement of revenues, expenditures, and changes in fund balances for governmental funds is included in this report.

The following represents the allocation of the City's revenues:



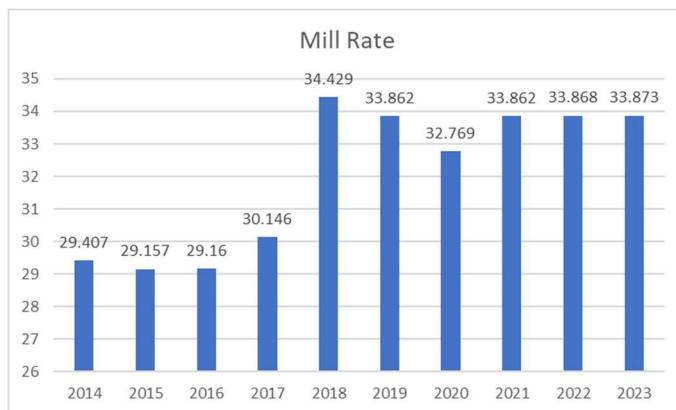
Property taxes accounted for 48% of the total revenues in 2023. Property taxes are determined during the annual budget process as required by the State. To determine property taxes, the County Appraiser provides an appraisal for the various properties in the City. Once the appraisal has been determined, the appraised value is converted to an assessed value, which is established by the State. For homeowners the assessment percentage is 11.5% of the appraised value, and commercial properties is 25% of the appraised value.

The following represents the assessed value obtained from the annual budget filings:



The assessed value has increased at a compounded annual growth rate of (CAGR) of 12.45% from 2014. The increase in value is attributed to the increase in the appraised value of properties and the increase in population growth. The City is the 2nd fastest growing City in Kansas with a population of 5,000 or more.

The mill levy is the “tax rate” that is applied to the properties. One mill is \$1 per \$1,000 dollars of assessed value. In 2023 and 2022, one mill was valued at \$111,124 and \$93,229, respectively, per \$1,000 dollars of assessed value. The following represents the actual mill levies:



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the main operating fund of the City. At December 31, 2023, the fund balance for the General Fund was \$4,134,669 or 74.02% of general fund revenues. The fund balance of the General Fund decreased by \$219,949 in 2023 and increased by \$995,369 during 2022 comparatively.

The Consolidated Highway Fund had a total fund balance of \$5,149,927. The net increase in the fund balance during 2023 was \$965,526. Strong sales tax performance was a contributing factor into the increase in fund balance.

The Capital Improvements Reserve Fund had a total fund balance of \$12,569,988 which represented an increase of \$2,364,373. This increase is a result of the 2023(A) bond proceeds from 2023.

Proprietary Funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net position of the Sewer Utility Fund at the end of 2023 and 2022 was \$4,922,818 and \$4,050,069, respectively; and the Solid Waste Fund was \$120,298 and \$95,252, respectively. The Sewer Utility Fund had an Operating Ratio of 1.85 and 2.36 in 2023 and 2022, respectively. This ratio compares the sewer charges to operating expenses, less depreciation. A ratio greater than 1.20 is an indication that the rates are adequate.

Budgetary Highlights

Property taxes are determined by assessed values and mill rates (also referred to as mill levies or tax rates). The City is required to have balanced budgets for their levy funds. As a result, property taxes are a key source of revenue for the City. In 2023, property taxes collected in the General Fund were \$172,733 more than budget and the sales taxes collected in the General Fund were \$96,856 more than budget. As part of the budgeting process the City budgets for a contingency reserve for unforeseen expenditures. For 2023, expenditures exceeded the budget in Capital Improvements Reserve fund by \$758,147. The spending of fund balance in this fund is intentional.

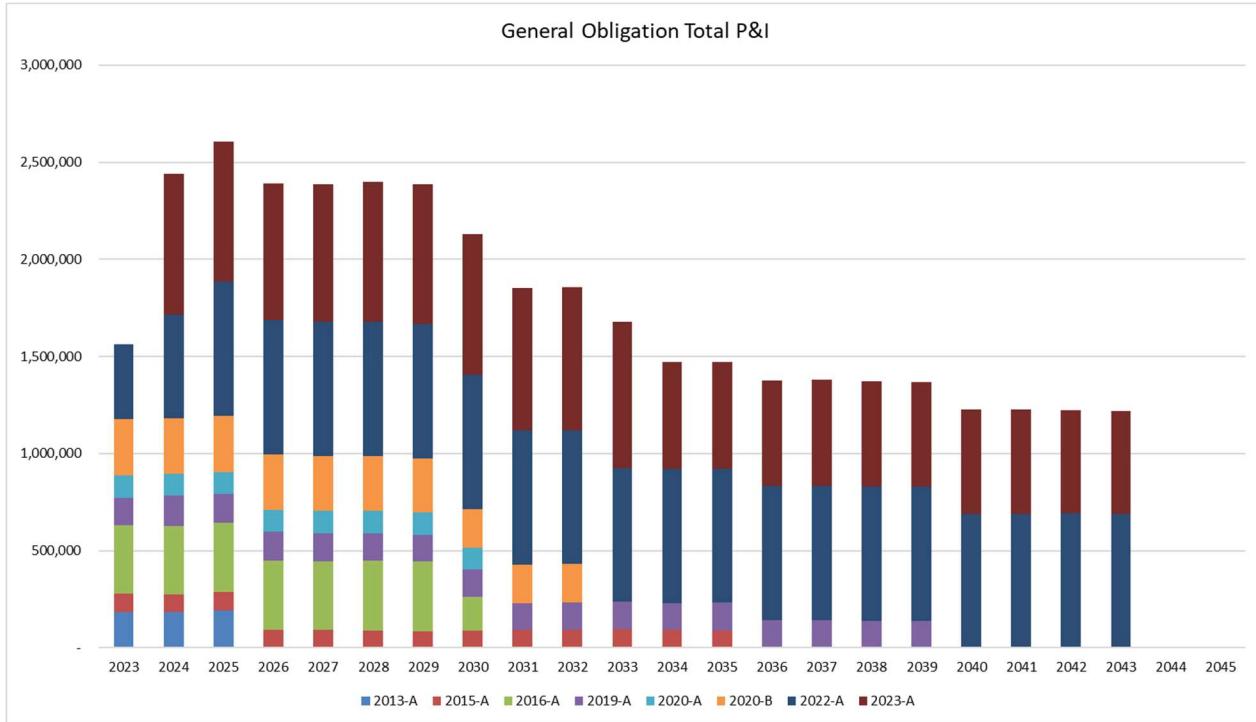
Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2023, totaled \$ \$34,309,245 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, equipment, streets and sewer lines. More detailed information about the City's capital assets is presented in the Basic Financial Statements included in this report.

Long-Term Debt

The following represents the outstanding debt at December 31, 2023:



In 2023, the City issued general obligation debt in its 2023(A) bond issuance. The rating for the City's general obligation bonds is an AA+/Stable rating from Standard & Poor's (S&P) which was an upheld rating from the previous rating. Prior to that, the City was upgraded from AA.

State statutes limit the amount of general obligation debt a governmental entity may issue to 30% of its total assessed valuation. The City's obligations are significantly lower than the 30% of its total assessed valuation.

Request for Information

This financial report is designed to provide a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the City Clerk/Finance Department at 1600 N 158th Street, Basehor, Kansas 66007 or (913) 724-1370.

CITY OF BASEHOR, KANSAS
STATEMENT OF NET POSITION
December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Deposits and investments	\$ 9,251,166	\$ 4,876,263	\$ 14,127,429
Receivables:			
Taxes	4,860,173	-	4,860,173
Municipal court	11,702	-	11,702
Accounts	45,439	285,243	330,682
Intergovernmental	50,316	-	50,316
Special assessments	3,851,367	-	3,851,367
Lease	49,250	-	49,250
Restricted deposits and investments	13,266,684	478,699	13,745,383
Land held for sale	1,400,000	-	1,400,000
Capital assets, net of accumulated depreciation, where applicable:			
Land	1,127,587	-	1,127,587
Construction in progress	7,108,631	336,798	7,445,429
Land improvements	429,565	-	429,565
Buildings	2,126,657	5,939,408	8,066,065
Infrastructure	9,198,931	6,932,883	16,131,814
Machinery and equipment	1,101,185	7,600	1,108,785
Total assets	<u>53,878,653</u>	<u>18,856,894</u>	<u>72,735,547</u>
Deferred outflows of resources:			
Deferred outflows - pension	<u>771,304</u>	<u>-</u>	<u>771,304</u>
Total deferred outflows of resources	<u>771,304</u>	<u>-</u>	<u>771,304</u>
Liabilities:			
Accounts payable	653,359	34,199	687,558
Accrued interest	264,132	21,308	285,440
Accrued liabilities	86,976	11,694	98,670
Noncurrent liabilities:			
Due within one year	1,698,610	383,645	2,082,255
Due in more than one year	<u>25,686,822</u>	<u>2,361,961</u>	<u>28,048,783</u>
Total liabilities	<u>28,389,899</u>	<u>2,812,807</u>	<u>31,202,706</u>
Deferred inflows of resources:			
Deferred receivable - property taxes	4,409,089	-	4,409,089
Deferred inflows - pension	56,878	-	56,878
Deferred inflows - lease	49,250	-	49,250
Total deferred inflows of resources	<u>4,515,217</u>	<u>-</u>	<u>4,515,217</u>
Net position:			
Net investment in capital assets	8,460,206	11,000,971	19,461,177
Restricted for:			
Debt service	4,143,512	-	4,143,512
Capital improvements	12,867,797	-	12,867,797
Street projects	5,149,927	-	5,149,927
Employee benefits	493,534	-	493,534
Culture and recreation	455,709	-	455,709
Public safety	75,768	-	75,768
Assistance program	2,408	-	2,408
Unrestricted	<u>(9,904,020)</u>	<u>5,043,116</u>	<u>(4,860,904)</u>
Total net position	<u>\$ 21,744,841</u>	<u>\$ 16,044,087</u>	<u>\$ 37,788,928</u>

See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

Functions/Programs:	Program Revenues					Net Revenue (Expense) and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government						
					Governmental Activities	Business-Type Activities	Total				
Primary government:											
Governmental activities:											
General government	\$ 3,675,738	\$ 414,022	\$ 25,774	\$ 30,250	\$ (3,205,692)	\$ -	\$ (3,205,692)				
Public works	1,544,917	99,455	221,454	1,500	(1,222,508)	-	(1,222,508)				
Culture and recreation	211,938	48,250	44,264	-	(119,424)	-	(119,424)				
Public safety	1,753,606	-	24,774	83,242	(1,645,590)	-	(1,645,590)				
Neighborhood revitalization	19	-	-	-	(19)	-	(19)				
Interest on long-term debt	591,533	-	-	-	(591,533)	-	(591,533)				
Total governmental activities	7,777,751	561,727	316,266	114,992	(6,784,766)	-	(6,784,766)				
Business-type activities:											
Sewer Utility	1,266,534	2,216,355	-	-	-	949,821	949,821				
Solid Waste Utility	659,958	716,262	-	-	-	56,304	56,304				
Total business-type activities	1,926,492	2,932,617	-	-	-	1,006,125	1,006,125				
Total primary government	\$ 9,704,243	\$ 3,494,344	\$ 316,266	\$ 114,992	\$ (6,784,766)	\$ 1,006,125	\$ (5,778,641)				
General revenues and transfers:											
General revenues:											
Property taxes					4,232,432	-	4,232,432				
Sales taxes					2,114,473	-	2,114,473				
Franchise taxes					347,617	-	347,617				
Excise taxes					93,861	-	93,861				
Unrestricted investment earnings					695,976	140,260	836,236				
Transfers					258,243	(258,243)	-				
Total general revenues and transfers					7,742,602	(117,983)	7,624,619				
Change in net position					957,836	888,142	1,845,978				
Net position, beginning of year					20,787,005	15,155,945	35,942,950				
Net position, end of year					\$ 21,744,841	\$ 16,044,087	\$ 37,788,928				

See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	General	Consolidated Highway	Capital Improvements Reserve	Employee Benefit	Bond and Interest	Total Nonmajor Funds	Total Governmental Funds
Assets:							
Deposits and investments	\$ 2,677,779	\$ 4,340,161	\$ 376,221	\$ 491,288	\$ 546,533	\$ 819,184	\$ 9,251,166
Receivables:							
Taxes	4,611,788	139,731	98,910	-	9,744	-	4,860,173
Intergovernmental	-	50,316	-	-	-	-	50,316
Special assessments	-	-	-	-	3,851,367	-	3,851,367
Municipal court	11,702	-	-	-	-	-	11,702
Accounts	18,196	-	-	2,246	-	24,997	45,439
Lease	-	-	-	-	-	49,250	49,250
Due from other funds	33	-	-	-	-	-	33
Restricted deposits and investments	-	624,543	12,642,141	-	-	-	13,266,684
Land held for sale	1,400,000	-	-	-	-	-	1,400,000
Total assets	\$ 8,719,498	\$ 5,154,751	\$ 13,117,272	\$ 493,534	\$ 4,407,644	\$ 893,431	\$ 32,786,130
Liabilities:							
Accounts payable	\$ 88,764	\$ 4,824	\$ 547,284	\$ -	\$ -	\$ 12,487	\$ 653,359
Accrued liabilities	86,976	-	-	-	-	-	86,976
Due to other funds	-	-	-	-	-	33	33
Total liabilities	175,740	4,824	547,284	-	-	12,520	740,368
Deferred inflows of resources:							
Unavailable revenue - property taxes	4,409,089	-	-	-	-	-	4,409,089
Unavailable revenue - special assessments	-	-	-	-	3,851,367	-	3,851,367
Unavailable revenue - lease	-	-	-	-	-	49,250	49,250
Total deferred inflows of resources	4,409,089	-	-	-	3,851,367	49,250	8,309,706
Fund balances:							
Nonspendable:							
Land held for sale	1,400,000	-	-	-	-	-	1,400,000
Restricted:							
Capital projects	-	-	12,569,988	-	-	-	12,569,988
Culture and recreation	-	-	-	-	-	455,709	455,709
Debt service	-	-	-	-	556,277	-	556,277
Employee benefits	-	-	-	493,534	-	-	493,534
Infrastructure maintenance	-	-	-	-	-	297,809	297,809
Resident assistance programs	-	-	-	-	-	2,408	2,408
Streets	-	5,149,927	-	-	-	-	5,149,927
Substance abuse prevention	-	-	-	-	-	75,768	75,768
Unassigned	2,734,669	-	-	-	-	(33)	2,734,636
Total fund balances	4,134,669	5,149,927	12,569,988	493,534	556,277	831,661	23,736,056
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,719,498	\$ 5,154,751	\$ 13,117,272	\$ 493,534	\$ 4,407,644	\$ 893,431	\$ 32,786,130

See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2023

Total fund balances - governmental funds	\$ 23,736,056
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.	21,092,556
Other long-term assets are not available to pay for current expenditures and therefore are reported as unavailable in the funds.	3,851,367
Deferred outflows of resources related to pensions represent a consumption of net position that applies to a future period and therefore are not reported in the funds.	771,304
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:	
General obligation bonds payable	\$ (23,965,000)
Financed purchases	(95,287)
Interest payable	(264,132)
Compensated absences	(179,731)
Net pension liability	(2,478,494) (26,982,644)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Premium on general obligation bonds	(666,920)
Deferred inflows of resources related to pensions represent an acquisition of net position that applies to a future period and therefore are not reported in the funds.	(56,878)
Net position of governmental activities	<u>\$ 21,744,841</u>

See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	General	Consolidated Highway	Capital Improvements Reserve	Employee Benefit	Bond and Interest	Total Nonmajor Funds	Total Governmental Funds
Revenues:							
Taxes:							
Property	\$ 4,170,168	\$ -	\$ -	\$ -	\$ 62,264	\$ -	\$ 4,232,432
Sales	783,011	783,011	548,451	-	-	-	2,114,473
Franchise	347,617	-	-	-	-	-	347,617
Excise	-	93,861	-	-	-	-	93,861
Impact fees	-	26,455	-	-	-	-	26,455
Special assessments	-	-	-	-	289,468	-	289,468
Licenses, permits and fees	172,135	-	-	-	-	89,400	261,535
Fines, forfeitures and penalties	65,389	-	-	-	-	-	65,389
Intergovernmental	108,016	221,454	30,250	-	-	49,548	409,268
Use of property	-	-	-	-	-	48,250	48,250
Investment income (loss)	(164,677)	128,852	679,715	14,344	16,280	21,462	695,976
Miscellaneous	104,004	-	15,200	20,935	-	41,949	182,088
Total revenues	5,585,663	1,253,633	1,273,616	35,279	368,012	250,609	8,766,812
Expenditures:							
Current:							
General government	1,993,709	-	-	953,761	-	94	2,947,564
Public works	322,972	288,107	-	-	-	50,498	661,577
Culture and recreation	-	-	-	-	-	129,746	129,746
Public safety	1,226,324	-	-	-	-	-	1,226,324
Neighborhood revitalization	19	-	-	-	-	-	19
Debt service:							
Principal	-	-	-	-	768,255	-	768,255
Interest and other charges	-	-	-	-	566,443	-	566,443
Debt issuance costs	-	-	156,333	-	-	-	156,333
Capital outlay	598,740	-	7,021,324	-	-	-	7,620,064
Total expenditures	4,141,764	288,107	7,177,657	953,761	1,334,698	180,338	14,076,325
Excess (deficiency) of revenues over (under) expenditures	1,443,899	965,526	(5,904,041)	(918,482)	(966,686)	70,271	(5,309,513)
Other financing sources (uses):							
Transfers in	11,252	-	-	1,213,124	925,000	50,100	2,199,476
Transfers out	(1,675,100)	-	(250,000)	-	-	(16,133)	(1,941,233)
General obligation bonds issued	-	-	8,295,000	-	-	-	8,295,000
Premium on general obligation bonds issued	-	-	223,414	-	-	-	223,414
Total other financing sources (uses)	(1,663,848)	-	8,268,414	1,213,124	925,000	33,967	8,776,657
Net change in fund balances	(219,949)	965,526	2,364,373	294,642	(41,686)	104,238	3,467,144
Fund balances, beginning of year	4,354,618	4,184,401	10,205,615	198,892	597,963	727,423	20,268,912
Fund balances, end of year	\$ 4,134,669	\$ 5,149,927	\$ 12,569,988	\$ 493,534	\$ 556,277	\$ 831,661	\$ 23,736,056

See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 3,467,144
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 7,076,002
Depreciation expense	<u>(1,182,410)</u>
	5,893,592

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (289,468)

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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Debt issued:	
General obligation bonds	(8,295,000)
Bond premium	(223,414)
Principal payments:	
General obligation bonds	665,000
Financed purchases	<u>103,254</u>
	(7,750,160)

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	(63,944)
Pension	(274,238)
Accrued interest	(66,777)
Amortization of bond premiums	<u>41,687</u>
	(363,272)

Change in net position of governmental activities	<u>\$ 957,836</u>
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See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Property taxes	\$ 4,001,394	\$ 3,997,435	\$ 4,170,168	\$ 172,733
Sales taxes	679,375	679,375	776,231	96,856
Franchise taxes	300,825	337,575	340,921	3,346
Licenses, permits and fees	161,449	160,939	186,159	25,220
Fines, forfeitures and penalties	126,500	120,000	64,364	(55,636)
Intergovernmental	21,027	20,500	108,016	87,516
Investment income (loss)	20,000	20,000	(164,677)	(184,677)
Miscellaneous	20,500	-	104,004	104,004
Total revenues	5,331,070	5,335,824	5,585,186	249,362
Expenditures:				
General administration:				
Personnel	728,998	728,998	832,642	103,644
Contractual services	3,997,147	907,398	1,113,655	206,257
Commodities	34,312	37,462	27,019	(10,443)
Capital outlay	10,500	10,500	469,135	458,635
Neighborhood revitalization	-	-	19	19
Total general administration	4,770,957	1,684,358	2,442,470	758,112
Public safety:				
Personnel	1,159,333	1,159,333	1,058,478	(100,855)
Contractual services	98,675	98,675	113,889	15,214
Commodities	73,650	73,650	36,754	(36,896)
Capital outlay	25,500	25,500	98,800	73,300
Total public safety	1,357,158	1,357,158	1,307,921	(49,237)
Public works:				
Personnel	451,130	451,130	286,820	(164,310)
Contractual services	28,087	28,087	25,332	(2,755)
Commodities	24,750	24,750	9,662	(15,088)
Capital outlay	24,000	24,000	23,785	(215)
Total public works	527,967	527,967	345,599	(182,368)
Total expenditures	6,656,082	3,569,483	4,095,990	526,507
Excess (deficiency) of revenues over (under) expenditures	(1,325,012)	1,766,341	1,489,196	(277,145)
Other financing sources (uses):				
Transfers in	11,823	11,823	11,252	(571)
Transfers out	(1,675,000)	(1,675,000)	(1,675,100)	(100)
Total other financing sources (uses)	(1,663,177)	(1,663,177)	(1,663,848)	(671)
Net change in fund balances	\$ (2,988,189)	\$ 103,164	(174,652)	\$ (277,816)
Fund balance, beginning of year			4,164,039	
Fund balance, end of year			3,989,387	
Explanation of difference between budgetary and GAAP fund balances:				
Sales tax receivable			139,731	
Franchise tax receivable			62,967	
Court receivable			11,702	
Accounts receivable			18,196	
Accrued payroll			(87,314)	
Fund balance on the basis of GAAP - General Fund only			\$ 4,134,669	

See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CONSOLIDATED HIGHWAY FUND
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Sales tax	\$ 679,375	\$ 776,231	\$ 96,856
Intergovernmental	218,362	216,654	(1,708)
Impact fees	-	26,455	26,455
Excise taxes	193,139	93,861	(99,278)
Investment income	<u>15,394</u>	<u>128,852</u>	<u>113,458</u>
 Total revenues	 1,106,270	 1,242,053	 135,783
Expenditures:			
Contractual services	<u>940,816</u>	<u>288,107</u>	<u>(652,709)</u>
 Net change in fund balances	 <u>\$ 165,454</u>	 <u>953,946</u>	 <u>\$ 788,492</u>
 Fund balance, beginning of year		 <u>4,005,934</u>	
 Fund balance, end of year		 4,959,880	
 Explanation of difference between budgetary and GAAP fund balances:			
 Sales tax receivable		 139,731	
Intergovernmental receivable		<u>50,316</u>	
 Fund balance on the basis of GAAP	 <u>\$ 5,149,927</u>		

See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
EMPLOYEE BENEFIT FUND
Year Ended December 31, 2023

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Miscellaneous	\$ -	\$ 20,935	\$ 20,935
Investment income	<u>650</u>	<u>14,344</u>	<u>13,694</u>
Total revenues	650	35,279	34,629
Expenditures:			
Personnel services	<u>1,198,046</u>	<u>953,761</u>	<u>(244,285)</u>
Deficiency of revenues under expenditures	(1,197,396)	(918,482)	278,914
Other financing sources:			
Transfers in	<u>1,208,323</u>	<u>1,213,124</u>	<u>4,801</u>
Net change in fund balances	<u>\$ 10,927</u>	<u>294,642</u>	<u>\$ 283,715</u>
Fund balance, beginning of year		<u>198,892</u>	
Fund balance, end of year		<u>\$ 493,534</u>	

See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2023

	Business-Type Activities		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
Assets:			
Current assets:			
Deposits and investments	\$ 4,829,029	\$ 47,234	\$ 4,876,263
Accounts receivable	201,085	84,158	285,243
Restricted deposits and investments	478,699	-	478,699
Total current assets	<u>5,508,813</u>	<u>131,392</u>	<u>5,640,205</u>
Noncurrent assets:			
Capital assets:			
Construction in progress	336,798	-	336,798
Buildings	9,972,508	-	9,972,508
Infrastructure	20,035,717	-	20,035,717
Machinery and equipment	322,205	-	322,205
Accumulated depreciation	(17,450,539)	-	(17,450,539)
Total noncurrent assets	<u>13,216,689</u>	<u>-</u>	<u>13,216,689</u>
Total assets	<u>18,725,502</u>	<u>131,392</u>	<u>18,856,894</u>
Liabilities:			
Current liabilities:			
Accounts payable	34,174	25	34,199
Accrued interest	21,308	-	21,308
Accrued payroll	9,044	2,650	11,694
Compensated absences	42,770	8,419	51,189
Current portion of bonds payable	332,456	-	332,456
Total current liabilities	<u>439,752</u>	<u>11,094</u>	<u>450,846</u>
Noncurrent liabilities:			
Bonds payable, net	<u>2,361,961</u>	<u>-</u>	<u>2,361,961</u>
Total noncurrent liabilities	<u>2,361,961</u>	<u>-</u>	<u>2,361,961</u>
Total liabilities	<u>2,801,713</u>	<u>11,094</u>	<u>2,812,807</u>
Net position:			
Net investment in capital assets	11,000,971	-	11,000,971
Unrestricted	4,922,818	120,298	5,043,116
Total net position	<u>\$ 15,923,789</u>	<u>\$ 120,298</u>	<u>\$ 16,044,087</u>

See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2023

	Business-Type Activities		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
Operating revenues:			
Charges for services	\$ 2,207,101	\$ 712,313	\$ 2,919,414
Miscellaneous	9,254	3,949	13,203
	<hr/> 2,216,355	<hr/> 716,262	<hr/> 2,932,617
Operating expenses:			
Personnel	367,866	70,201	438,067
Contractual	377,592	582,047	959,639
Commodities	23,917	7,710	31,627
Depreciation	433,986	-	433,986
	<hr/> 1,203,361	<hr/> 659,958	<hr/> 1,863,319
Operating income	<hr/> 1,012,994	<hr/> 56,304	<hr/> 1,069,298
Nonoperating revenues (expenses):			
Investment income	138,235	2,025	140,260
Interest expense	(63,173)	-	(63,173)
	<hr/> 75,062	<hr/> 2,025	<hr/> 77,087
Income before transfers	1,088,056	58,329	1,146,385
Transfers in	40	40	80
Transfers out	(225,000)	(33,323)	(258,323)
	<hr/> 863,096	<hr/> 25,046	<hr/> 888,142
Net position, beginning of year	<hr/> 15,060,693	<hr/> 95,252	<hr/> 15,155,945
Net position, end of year	<hr/> \$ 15,923,789	<hr/> \$ 120,298	<hr/> \$ 16,044,087

See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2023

	Business-Type Activities		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	\$ 2,219,316	\$ 687,387	\$ 2,906,703
Other income	9,254	3,949	13,203
Payments to suppliers	(372,395)	(589,732)	(962,127)
Payments to employees	(354,824)	(67,034)	(421,858)
Net cash from operating activities	<u>1,501,351</u>	<u>34,570</u>	<u>1,535,921</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	40	40	80
Transfers to other funds	<u>(225,000)</u>	<u>(33,323)</u>	<u>(258,323)</u>
Net cash from noncapital financing activities	<u>(224,960)</u>	<u>(33,283)</u>	<u>(258,243)</u>
Cash flows from capital and related financing activities:			
Proceeds from general obligation bonds	514,260	-	514,260
Acquisition and construction of capital assets	(153,035)	-	(153,035)
Principal paid on general obligation debt	(300,000)	-	(300,000)
Interest paid on debt	(65,387)	-	(65,387)
Net cash from capital and related financing activities	<u>(4,162)</u>	<u>-</u>	<u>(4,162)</u>
Cash flows from investing activities:			
Investment income	<u>138,235</u>	<u>2,025</u>	<u>140,260</u>
Net change in cash and cash equivalents	<u>1,410,464</u>	<u>3,312</u>	<u>1,413,776</u>
Cash and cash equivalents, beginning of year	<u>3,897,264</u>	<u>43,922</u>	<u>3,941,186</u>
Cash and cash equivalents, end of year	<u>\$ 5,307,728</u>	<u>\$ 47,234</u>	<u>\$ 5,354,962</u>
Reconciliation of operating income to net cash from operating activities:			
Operating income	\$ 1,012,994	\$ 56,304	\$ 1,069,298
Adjustments to reconcile operating income to net cash from operating activities:			
Items not requiring cash:			
Depreciation	433,986	-	433,986
Changes in:			
Accounts receivable	12,215	(24,926)	(12,711)
Accounts payable	29,114	25	29,139
Compensated absences and accrued payroll	13,042	3,167	16,209
Net cash from operating activities	<u>\$ 1,501,351</u>	<u>\$ 34,570</u>	<u>\$ 1,535,921</u>

See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
December 31, 2023

	Custodial Fund
Assets:	
Deposits and investments	<u><u>\$ -</u></u>
Net position:	
Restricted for individuals and organizations	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
Year Ended December 31, 2023

	Custodial Fund
Additions:	
Contributions from property owners	\$ 62,700
Deductions:	
Payments to bondholder	<u>62,700</u>
Net change in fiduciary net position	-
Net position, beginning	<u>-</u>
Net position, ending	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF BASEHOR, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended December 31, 2023

1 - Summary of Significant Accounting Policies

The City of Basehor, Kansas (the City) was incorporated in 1965 under the provisions of K.S.A. 12-101, et seq. The City operates under a Council-Administrator form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation, culture/recreation, public improvements, sewer, planning and zoning, and general administrative services. An elected six-member council (including the Mayor) governs the City. As required, the financial statements present data for all departments and funds of the City, including all boards and commissions (the primary government, herein referred to as the City). The City has no component units. This summary of significant accounting policies of the City is presented to assist in understanding the City's basic financial statements. The following is a summary of the more significant policies:

Government-Wide and Fund 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 nonfiduciary activities of the primary government. 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 to external customers for support.

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, proprietary funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are generally considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 60-day

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

availability period is used for revenue recognition for all governmental funds revenues except property taxes. 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 custodial fund is reported using the economic resources measurement focus and the accrual basis of accounting.

The City reports the following major governmental funds:

General - The general fund is the main operating fund of the City. It accounts for all financial resources of the general government, except those accounted for and reported in another fund. This fund accounts for the general operating transactions of the City including public safety, public works, culture and recreation, and neighborhood revitalization.

Consolidated Highway - The consolidated highway fund is used to account for road and highway projects funded by property taxes.

Capital Improvements Reserve - The capital improvements reserve fund is used to account for capital improvement projects funded by property taxes.

Employee Benefit - The employee benefit fund is used to account for employee benefits funded by property taxes.

Bond and Interest - The bond and interest fund accounts for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

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

The City reports the following major proprietary funds:

Sewer Utility - The sewer utility fund accounts for the operation and maintenance activities of the City's wastewater collection and treatment systems.

Solid Waste Utility - The solid waste utility fund accounts for the provision of solid waste collection and disposal services to the residents and businesses of the City.

Additionally, the City reports a custodial fund. Custodial funds are used to report resources held by the City in a purely custodial capacity. The City uses custodial funds to account for amounts collected for special assessments for the Grayhawk at Prairie Gardens benefit district.

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 enterprise functions 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.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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 sewer utility and solid waste utility funds are charges to customers for sales and services. Operating expenses for the enterprise funds 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

Cash and investments of the individual funds are combined to form a pool that is managed by the City Treasurer. Each fund's equity in the pool is included in "deposits and investments" in the financial statements. These pooled deposits and investments consist of operating accounts, non-negotiable certificates of deposit which are recorded at cost because they are not affected by market rate changes, deposits in the Kansas Municipal Investment Pool (KMIP), money market funds, money market mutual funds, and U.S. government securities which are recorded at fair value. Investment earnings, including interest income, are allocated based on management discretion and upon their average daily equity

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

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.

Restricted Deposits and Investments

In an agreement with the developer of the Falcon Lakes subdivision dated February 20, 2001, the City agreed to restrict the use of the \$ 2,405 per lot impact fee. This restriction limited the use of these funds to improvements to the perimeter roads (Donahoo Road, Hollingsworth Road and 147th Street). \$ 624,543 of cash and cash equivalents in the consolidated highway fund was subject to this restriction as of December 31, 2023.

As of December 31, 2023, the City also has restricted investments totaling \$ 13,120,840 relating to its 2022A and 2023A General Obligation bonds.

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

All trade and property tax receivables are shown net of an allowance for uncollectible amounts, if any. Management records a trade accounts receivable allowance based on percentages of collection estimated from the aging of the accounts receivable. At December 31, 2023, no allowance for uncollectible receivables has been recorded.

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. Governmental funds unavailable revenue is reported as follows:

General fund property tax receivable	\$ 4,409,089
Bond and interest fund special assessments receivable	<u>3,851,367</u>
	<u><u>\$ 8,260,456</u></u>

Property Taxes

The City's property tax is 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 Leavenworth County. The assessed value at January 1, 2022 upon which the 2023 levy was based was \$ 111,123,931.

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 of each year. Property owners have the option of paying one-half of 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 following year. Property taxes become delinquent on December 20 of each fiscal year if the

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

taxpayer has not remitted at least one-half of the amount due. The Leavenworth County Treasurer is the tax collection agent for all taxing entities within the County. Property taxes levied in prior years that remain uncollected are recorded as receivables, net of estimated uncollectibles.

Special Assessments Receivable

As provided by Kansas 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. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the bond and interest fund. Special assessments are levied over the repayment period of the bonds and annual installments are due and payable with annual ad valorem taxes. At December 31, 2023, the special assessment taxes levied are a lien on the property and are recorded as a special assessments receivable in the bond and interest fund with a corresponding amount recorded as unavailable revenue. Special assessments receivable at December 31, 2023 was \$ 3,851,367.

Leases

The City is a lessor for the lease of a recreational athletic facility. The City recognizes a lease receivable and a deferred inflow of resources on the statement of net position.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

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

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

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, 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 \$ 2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 – 40 years
Improvements	20 – 40 years
Infrastructure	15 – 40 years
Machinery and equipment	8 – 20 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. The *deferred outflows for pension* is reported in the government-wide statement of net position. See Note 6 for more information on the deferred outflows for the pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has several items that qualify for reporting in this category. *Unavailable revenue* is reported in the governmental funds from three sources: property taxes, special assessments, and leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide statements report three items, *deferred receivable for property taxes*, *deferred inflows for pension*, and *deferred inflows for leases*. See Note 6 for more information on the deferred inflows for the pension plan and Note 4 for more information on the deferred inflows for leases.

Compensated Absences

Under the terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. Varying amounts of hours are allowed to be carried over to subsequent years. This carryover is payable upon separation from service. All vacation is accrued when incurred in the government-wide and proprietary fund financial statements.

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 and refunding differences 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.

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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, 2023, 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, such as 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 spent for specific purposes determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally (ordinance).

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 an action of (1) the City Council or (2) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes, the City Manager.

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.

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.

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

Concentrations of Credit Risk

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.

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 deferred outflows of resources and liabilities and deferred inflows of resources 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.

Pending Governmental Accounting Standards Board Statements

At December 31, 2023, 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. 99, *Omnibus 2022* - The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections* - The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures* - The objective of this Statement is to provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's

CITY OF BASEHOR, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
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financial condition. The requirements of this statement are effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements* - The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

Adoption of New Accounting Standards

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

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. There was no impact to beginning net position due to the adoption of this Statement.

2 - Stewardship, Compliance, and Accountability

Budgetary Information

Applicable Kansas statutes require an annual operating budget be legally adopted for the general fund, special revenue funds (unless exempted by a specific statute), debt service funds, and proprietary funds. A legal operating budget is not prepared for the special alcohol and drug fund, mayor charity fund, assistance program fund, or the land bank fund. All budgets are prepared utilizing the cash basis further modified by the encumbrance method of accounting – that is, commitments evidenced by documents such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

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

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

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget is adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing for the 2023 budget.

Kansas statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the

CITY OF BASEHOR, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
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hearing may be held, and the governing body may amend the budget at that time. During 2023, the budget was amended for the general fund, the special alcohol and drug fund and the solid waste utility 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.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by using internal spending limits established by the governing body.

Budget Violations

For the year ended December 31, 2023, expenditures (including other financing uses) exceeded the budget in the General Fund by \$ 526,607, Capital Improvements Reserve Fund by \$ 296,540, the Parks and Recreation Fund by \$ 2,204, and the Bond and Interest Fund by \$ 124,207.

3 - Deposits and Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. Kansas statutes require that deposits of the City be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City. At December 31, 2023, the carrying amounts of the City's deposits were \$ 7,767,769, and the bank balances totaled \$ 7,850,948. Of the bank balance, \$ 990,000 was secured by federal deposit insurance, and \$ 6,843,895 was collateralized by pledged securities held under joint custody receipts issued by third party banks in the City's name. At year-end, \$ 17,053 of the City's deposits were not collateralized.

Investments

As of December 31, 2023, the City had the following investments:

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Description	Fair Value	Maturity (in Years)			Rating
		Less Than 1	1 - 5	6 - 10	
Kansas Municipal Investment Pool	\$ 1,822,599	\$ 1,822,599	\$ -	\$ -	Not rated
Money Market Funds	50,650	50,650	-	-	AAA
Money Market Mutual Funds	1,685,000	1,685,000	-	-	AAA
U.S. Treasury Securities	16,546,794	12,834,958	2,055,262	1,656,574	AAA
	\$ 20,105,043	\$ 16,393,207	\$ 2,055,262	\$ 1,656,574	

Credit Risk

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the KMIP.

Some of the City's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the obligations of the Federal National Mortgage Association, Federal Home Loan Banks, or the Federal Home Loan Mortgage Corporation, repurchase agreements collateralized by direct obligations of the United States government or any agency thereof, investment agreements with a financial institution, which at the time of investment are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poors Corporation, investments in shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks, or Federal Home Loan Mortgage Corporation, receipts evidencing ownership interests in securities or portions thereof in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks, or the Federal Home Loan Mortgage Corporation, and municipal bonds or other obligations issued by a municipality of the State of Kansas. K.S.A. 10-131 prohibits investment in derivatives.

The City has no investment policy that would further limit its investment choices.

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. As noted in the schedule above, the City's investments as of December 31, 2023 consisted entirely of the KMIP, money market funds, money market mutual funds, and U.S. government securities.

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The City is not exposed to custodial credit risk.

CITY OF BASEHOR, KANSAS
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The KMIP is under the oversight of the Pooled Money Investment Board (the Board). The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas Legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. Government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The fair value of the City's position in the KMIP is substantially the same as the value of the pool shares. The City's investments in the KMIP were not rated by a rating agency as of December 31, 2023.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates, but state statutes do establish a two-year limitation on investment maturities. In practice, the City does not exceed a one-year maturity when investing idle funds. The City is not exposed to significant interest rate risk.

Fair Value Measurement – 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 asset. 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. For the year ended December 31, 2023, the City's investment in the KMIP was considered a cash equivalent as all investments were held in the overnight pool. Investments that are considered cash equivalents are not classified in the fair value hierarchy.

At December 31, 2023, the City's investments were categorized within the fair value hierarchy as follows:

Investment Type	Fair Value	Fair Value Measurements at Reporting Date Using		
		Level 1	Level 2	Level 3
Money Market Funds	\$ 50,650	\$ 50,650	\$ -	\$ -
Money Market Mutual Funds	1,685,000	1,685,000	-	-
U.S. Treasury Securities	<u>16,546,794</u>	<u>-</u>	<u>16,546,794</u>	<u>-</u>
	<u><u>\$ 18,282,444</u></u>	<u><u>\$ 1,735,650</u></u>	<u><u>\$ 16,546,794</u></u>	<u><u>\$ -</u></u>

4 - Leases Receivable

The City entered into a 48-month public-private partnership that meets the definition of a lease as lessor for the use of a recreational athletic facility. An initial lease receivable was recorded in the amount of \$ 97,500. As of December 31, 2023, the value of the lease receivable is \$ 49,250. The lessee is required to make annual payments ranging from \$ 48,250 to \$ 49,250. The lease has an interest rate of 0.4910%. The value of the deferred inflow of resources as of December 31, 2023 was \$ 49,250, and the City recognized lease revenue of \$ 48,250 during the year.

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

5 - Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 659,377	\$ 468,210	\$ -	\$ 1,127,587
Construction in progress	2,064,618	6,037,321	(993,308)	7,108,631
Total capital assets not being depreciated	<u>2,723,995</u>	<u>6,505,531</u>	<u>(993,308)</u>	<u>8,236,218</u>
Capital assets being depreciated:				
Land improvements	685,146	-	-	685,146
Buildings	2,486,290	-	-	2,486,290
Infrastructure	25,638,468	1,230,651	-	26,869,119
Machinery and equipment	2,745,870	333,128	-	3,078,998
Total capital assets being depreciated	<u>31,555,774</u>	<u>1,563,779</u>	<u>-</u>	<u>33,119,553</u>
Less accumulated depreciation for:				
Land improvements	(228,534)	(27,047)	-	(255,581)
Buildings	(304,969)	(54,664)	-	(359,633)
Infrastructure	(16,890,267)	(779,921)	-	(17,670,188)
Machinery and equipment	(1,657,035)	(320,778)	-	(1,977,813)
Total accumulated depreciation	<u>(19,080,805)</u>	<u>(1,182,410)</u>	<u>-</u>	<u>(20,263,215)</u>
Total capital assets being depreciated, net	<u>12,474,969</u>	<u>381,369</u>	<u>-</u>	<u>12,856,338</u>
Governmental activities capital assets, net	<u><u>\$ 15,198,964</u></u>	<u><u>\$ 6,886,900</u></u>	<u><u>\$ (993,308)</u></u>	<u><u>\$ 21,092,556</u></u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 183,763	\$ 153,035	\$ -	\$ 336,798
Capital assets being depreciated:				
Buildings	9,972,508	-	-	9,972,508
Infrastructure	20,035,717	-	-	20,035,717
Machinery and equipment	322,205	-	-	322,205
Total capital assets being depreciated	<u>30,330,430</u>	<u>-</u>	<u>-</u>	<u>30,330,430</u>
Less accumulated depreciation for:				
Buildings	(3,811,689)	(221,411)	-	(4,033,100)
Infrastructure	(12,899,661)	(203,173)	-	(13,102,834)
Machinery and equipment	(305,203)	(9,402)	-	(314,605)
Total accumulated depreciation	<u>(17,016,553)</u>	<u>(433,986)</u>	<u>-</u>	<u>(17,450,539)</u>
Business-type activities capital assets, net	<u><u>\$ 13,497,640</u></u>	<u><u>\$ (280,951)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,216,689</u></u>

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

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

Governmental activities:

General government	\$ 27,560
Public safety	220,208
Public works	852,450
Culture and recreation	<u>82,192</u>

Total depreciation expense - governmental activities

\$ 1,182,410

Business-type activities:

Sewer utility

\$ 433,986

6 - Defined Benefit Pension Plan

General Information About the Pension Plan

Description of Pension Plan. The City participates in the Kansas Public Employees Retirement System (KPERS), 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 KPERS, a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions 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 Police and Firemen employee group.

KPERS issues a stand-alone 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

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

normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

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

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

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

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. 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 for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. 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.

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

The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate were 22.86% for KP&F for the year ended December 31, 2023. Contributions to the Pension Plan from the City were \$ 223,017 for KP&F for the year ended December 31, 2023.

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

At December 31, 2023, the City reported a liability of \$ 2,478,494 for KP&F for its proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2023, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023.

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 KP&F, relative to the total employer and nonemployer contributions of the Police and Firemen group within KPERS for the KPERS fiscal year ended June 30, 2023.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2023, the City's proportion for KP&F was 0.155172%, which was an increase of 0.00582% from its proportion measured as of June 30, 2022.

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

For the year ended December 31, 2023, the City recognized pension expense of \$ 497,417 for KP&F. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 229,455	\$ -
Net difference between projected and actual earnings on pension plan investments	111,653	-
Changes of assumptions	200,675	-
Changes in proportionate share	118,132	56,878
City contributions subsequent to measurement date	<u>111,389</u>	-
Total	<u>\$ 771,304</u>	<u>\$ 56,878</u>

The \$ 111,389 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>June 30,</u>	
2024	\$ 204,849
2025	133,890
2026	205,864
2027	56,799
2028	<u>1,635</u>
	<u>\$ 603,037</u>

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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	7.00 percent
Payroll growth assumption	3.00 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. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

The actuarial assumptions used in the December 31, 2022 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 June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equities	23.50%	5.20%
Non-U.S. Equities	23.50%	6.40%
Private Equity	8.00%	9.50%
Private Real Estate	11.00%	4.45%
Yield Driven	8.00%	4.70%
Real Return	11.00%	3.25%
Fixed Income	11.00%	1.55%
Cash	4.00%	0.25%
Total	100%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. Future employer contribution rates were modeled for KP&F assuming all actuarial assumptions are met in future years. 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,

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

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 proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's KP&F proportionate share of the collective net pension liability	\$ 3,342,265	\$ 2,478,494	\$ 1,757,317

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

7 - Defined Contribution Plan

All full-time employees employed by the City are entitled to enroll, at the City Council's discretion, in a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). For all employees who enroll in the plan, excluding those participating in the KP&F retirement plan, the City shall contribute to the Plan an amount as specified according to the current maximum contribution to old age Social Security benefits. The contribution for the year ending December 31, 2023, was \$ 51,282 from employees and \$ 188,714 from the City.

8 - 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.

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

General obligation bonds payable at December 31, 2023 are comprised of the following issues:

	Date of Issuance	Maturity	Call Date	Interest Rates	Original Issue	Principal Payments During 2023	Outstanding December 31, 2023
General Obligation Bonds:							
Governmental Activities:							
2013A Refunding	1/30/2013	9/1/2025	09/01/21	2.00%	\$ 3,480,000	\$ 175,000	\$ 365,000
2015A Improvement	8/26/2015	9/1/2035	09/01/24	3.25 - 4.00%	1,295,000	60,000	865,000
2019A Improvement	3/21/2019	9/1/2039	09/01/27	1.80 - 3.125%	2,105,000	85,000	1,795,000
2020A Improvement	3/26/2020	9/1/2030	None	2.00%	1,035,000	100,000	735,000
2020B Refunding	10/22/2020	9/1/2032	09/01/29	1.00 - 3.00%	2,840,000	245,000	2,130,000
2022A Improvement	06/16/22	09/01/43	09/01/32	3.00 - 3.50%	9,780,000	-	9,780,000
2023A Improvement	09/21/23	09/01/43	09/01/33	4.00%	8,295,000	-	8,295,000
					\$ 28,830,000	\$ 665,000	\$ 23,965,000
Business-Type Activities:							
2016A Refunding	6/16/2016	9/1/2030	9/1/2025	2.00 - 2.25%	\$ 4,095,000	\$ 300,000	\$ 2,135,000
2023A Improvement	09/21/23	09/01/43	09/01/33	4.00%	500,000	-	500,000
					\$ 4,595,000	\$ 300,000	\$ 2,635,000

The future annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 1,402,544	\$ 793,440	\$ 332,456	\$ 62,876
2025	1,433,113	766,924	336,887	56,890
2026	1,281,976	723,785	348,024	49,713
2027	1,315,839	683,070	354,161	42,293
2028	1,359,702	641,147	365,298	34,726
2029-2033	6,539,011	2,551,937	655,989	81,245
2034-2038	5,210,847	1,555,136	109,153	40,046
2039-2043	5,421,968	606,784	133,032	16,385
	\$ 23,965,000	\$ 8,322,223	\$ 2,635,000	\$ 384,174

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

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

	Installment Range	
	Low	High
General obligation bonds:		
Governmental activities:		
2013A Refunding	\$ 175,000	\$ 190,000
2015A Improvement	60,000	85,000
2019A Improvement	100,000	135,000
2020A Improvement	100,000	110,000
2020B Refunding	190,000	265,000
2022A Improvement	350,000	660,000
2023A Improvement	334,818	509,301
Business-type activities:		
2016A Refunding	170,000	345,000
2023A Improvement	20,182	30,699

Financed Purchases

The City entered into a 0.75% interest financed purchase agreement for police vehicles, payable in semi-annual principal and interest payments of \$ 41,371 through March 1, 2024. The outstanding balance at December 31, 2023 is \$ 41,216.

The City entered into a 0.90% interest financed purchase agreement for a solid waste truck, payable in semi-annual principal and interest payments of \$ 10,961 through March 1, 2026. The outstanding balance at December 31, 2023 is \$ 54,071.

The assets acquired through financed purchases had a cost of \$ 335,158 and accumulated depreciation at December 31, 2023 was \$ 152,402.

Annual debt service requirements to maturity are as follows:

	Governmental Activities	
	Principal	Interest
2024	\$ 62,698	\$ 596
2025	21,677	244
2026	10,912	49
	<u>\$ 95,287</u>	<u>\$ 889</u>

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

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 16,335,000	\$ 8,295,000	\$ 665,000	\$ 23,965,000	\$ 1,402,544
Plus deferred amounts:					
Issuance premiums	485,193	223,414	41,687	666,920	-
Financed purchases - direct borrowings	198,541	-	103,254	95,287	62,698
Compensated absences	115,787	233,368	169,424	179,731	233,368
Net pension liability	<u>2,154,002</u>	<u>324,492</u>	<u>-</u>	<u>2,478,494</u>	<u>-</u>
	<u><u>\$ 19,288,523</u></u>	<u><u>\$ 9,076,274</u></u>	<u><u>\$ 979,365</u></u>	<u><u>\$ 27,385,432</u></u>	<u><u>\$ 1,698,610</u></u>
Business-Type Activities:					
General obligation bonds	\$ 2,435,000	\$ 500,000	\$ 300,000	\$ 2,635,000	\$ 332,456
Plus deferred amounts:					
Issuance premiums	52,016	14,260	6,859	59,417	-
Compensated absences	<u>37,077</u>	<u>45,993</u>	<u>31,881</u>	<u>51,189</u>	<u>51,189</u>
	<u><u>\$ 2,524,093</u></u>	<u><u>\$ 560,253</u></u>	<u><u>\$ 338,740</u></u>	<u><u>\$ 2,745,606</u></u>	<u><u>\$ 383,645</u></u>

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

Conduit Debt Obligations

The City has issued Special Obligation Revenue Bonds, Series 2020, 2021 and 2022 which, in accordance with GASB Statement No. 91, *Conduit Debt Obligations*, have not been recorded as liabilities in the City's financial statements. Private developers used the proceeds of these bonds to finance capital expansion. The bonds are payable solely from special assessments and the City has no responsibility to make debt service payments if special assessments receipts are insufficient to cover debt service. The City has not made a voluntary commitment to cover debt service. As of December 31, 2023, there were three series of special obligation bonds outstanding.

	Date of Issuance	Maturity	Interest Rates	Beginning Balance	Additions	Reductions	Ending Balance
Conduit debt - special obligation bonds							
Series 2020	07/15/20	10/01/40	0.00%	\$ 310,340	\$ -	\$ 17,940	\$ 292,400
Series 2021	04/06/21	10/01/41	0.00%	350,550	-	18,850	331,700
Series 2022	06/16/22	10/01/42	0.00%	<u>475,850</u>	<u>-</u>	<u>23,820</u>	<u>452,030</u>
				<u><u>\$ 1,136,740</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 60,610</u></u>	<u><u>\$ 1,076,130</u></u>

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

9 - Risk Management

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

10 - Commitments and Contingencies

The City is a party in various pending claims. Although the outcome of these pending claims is not presently determinable, it is the opinion of management that resolution of these matters will not have a material adverse effect on the financial position of the City.

11 - Transfers

Interfund transfers for the year ended December 31, 2023 consisted of the following:

Transfers out	Transfers in							
	Governmental activities				Business-type activities			
General fund	Employee benefit fund	Bond and interest fund	Nonmajor governmental funds	Total governmental activities	Sewer utility fund	Solid waste utility fund	Total business-type activities	
Transfers out								
Governmental activities:								
General fund	\$ -	\$ 950,000	\$ 675,000	\$ 50,100	\$ 1,675,100	\$ -	\$ -	\$ -
Capital improvements reserve fund	-	-	250,000	-	250,000	-	-	-
Nonmajor governmental funds	11,252	4,801	-	-	16,053	40	40	80
Total governmental activities	<u>\$ 11,252</u>	<u>\$ 954,801</u>	<u>\$ 925,000</u>	<u>\$ 50,100</u>	<u>\$ 1,941,153</u>	<u>\$ 40</u>	<u>\$ 40</u>	<u>\$ 80</u>
Business-type activities:								
Sewer utility fund	\$ -	\$ 225,000	\$ -	\$ -	\$ 225,000	\$ -	\$ -	\$ -
Solid waste utility fund	-	33,323	-	-	33,323	-	-	-
Total business-type activities	<u>\$ -</u>	<u>\$ 258,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or 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, and (3) use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations.

12 - 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 BASEHOR, KANSAS
Schedule of the City's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Nine Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the collective net pension liability	0.155%	0.149%	0.158%	0.143%
City's proportionate share of the collective net pension liability	\$ 2,478,494	\$ 2,154,002	\$ 1,512,137	\$ 1,767,209
City's covered payroll	\$ 1,033,729	\$ 887,088	\$ 893,402	\$ 870,558
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	239.76%	242.82%	169.26%	203.00%
Plan fiduciary net position as a percentage of the total pension liability	70.70%	69.75%	76.40%	66.30%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the collective net pension liability	0.141%	0.146%	0.131%	0.142%
City's proportionate share of the collective net pension liability	\$ 1,431,300	\$ 1,402,014	\$ 1,230,371	\$ 1,317,562
City's covered payroll	\$ 787,630	\$ 694,849	\$ 662,996	\$ 662,996
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	181.72%	201.77%	185.58%	198.73%
Plan fiduciary net position as a percentage of the total pension liability	71.20%	74.22%	72.15%	69.30%
	74.60%			

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

CITY OF BASEHOR, KANSAS
Schedule of the City's Contributions
Kansas Public Employees Retirement System
Last Nine Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 223,017	\$ 225,047	\$ 198,528	\$ 190,914
Contributions in relation to the contractually required contribution	<u>223,017</u>	<u>225,047</u>	<u>198,528</u>	<u>190,914</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
City's covered payroll	\$ 975,579	\$ 978,861	\$ 865,396	\$ 870,558
Contributions as a percentage of covered payroll		22.86%	22.99%	22.94%
		21.93%		

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 174,524	\$ 149,920	\$ 132,230	\$ 135,384	\$ 141,616
Contributions in relation to the contractually required contribution	<u>174,524</u>	<u>149,920</u>	<u>132,230</u>	<u>135,384</u>	<u>141,616</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>				
City's covered payroll	\$ 787,630	\$ 694,849	\$ 662,996	\$ 662,996	\$ 634,065
Contributions as a percentage of covered payroll		22.16%	21.58%	19.94%	20.42%
		22.33%			

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

SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Special Alcohol and Drug – This fund accounts for special alcohol liquor tax revenues that are restricted for the purpose of funding programs for the education, treatment, and intervention of alcohol and drug abuse.

Mayor Charity – This fund accounts for donations restricted for golf tournaments.

Assistance Program – This fund accounts for revenues restricted for approved assistance programs (i.e., utility assistance program, exterior grant program, and franchise fee rebate program) for qualifying residents.

Land Bank – This fund accounts for fees restricted for the purpose of land.

Parks and Recreation – This fund accounts for ad valorem taxes levied for the purpose of parks and recreation.

Cedar Lakes Maintenance – This fund accounts for fees restricted for Cedar Lakes maintenance.

Glenwood Maintenance – This fund accounts for fees restricted for Glenwood maintenance.

CITY OF BASEHOR, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Special Alcohol and Drug	Mayor Charity	Assistance Program	Land Bank	Parks and Recreation	Cedar Lakes Maintenance	Glenwood Maintenance	
Assets:								
Deposits and investments	\$ 75,768	\$ 6,025	\$ 2,408	\$ -	\$ 426,686	\$ 147,838	\$ 160,459	\$ 819,184
Receivables:								
Accounts	-	-	-	-	24,997	-	-	24,997
Lease	-	-	-	-	49,250	-	-	49,250
Total assets	\$ 75,768	\$ 6,025	\$ 2,408	\$ -	\$ 500,933	\$ 147,838	\$ 160,459	\$ 893,431
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,999	\$ 7,498	\$ 2,990	\$ 12,487
Due to other funds	-	-	-	33	-	-	-	33
Total liabilities	-	-	-	33	1,999	7,498	2,990	12,520
Deferred inflows of resources:								
Unavailable revenue - lease	-	-	-	-	49,250	-	-	49,250
Fund balances:								
Restricted:								
Culture and recreation	-	6,025	-	-	449,684	-	-	455,709
Infrastructure maintenance	-	-	-	-	-	140,340	157,469	297,809
Resident assistance programs	-	-	2,408	-	-	-	-	2,408
Substance abuse prevention	75,768	-	-	-	-	-	-	75,768
Unassigned	-	-	-	(33)	-	-	-	(33)
Total fund balances	75,768	6,025	2,408	(33)	449,684	140,340	157,469	831,661
Total liabilities and fund balances	\$ 75,768	\$ 6,025	\$ 2,408	\$ -	\$ 500,933	\$ 147,838	\$ 160,459	\$ 893,431

CITY OF BASEHOR, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	Special Revenue Funds							Total Nonmajor Governmental Funds	
	Special Alcohol and Drug	Mayor Charity	Assistance Program	Land Bank	Parks and Recreation	Cedar Lakes Maintenance	Glenwood Maintenance	Eliminations	
Revenues:									
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ -	\$ 16,400	\$ 40,000	\$ 33,000	\$ -	\$ 89,400
Intergovernmental	24,774	-	-	-	24,774	-	-	-	49,548
Use of property	-	-	-	-	48,250	-	-	-	48,250
Investment income	1,953	287	53	-	11,044	3,953	4,172	-	21,462
Miscellaneous	-	38,859	-	-	3,090	-	-	-	41,949
Total revenues	26,727	39,146	53	-	103,558	43,953	37,172	-	250,609
Expenditures:									
Current:									
General government	29	-	65	-	-	-	-	-	94
Public works	-	-	-	100	-	28,239	22,159	-	50,498
Culture and recreation	-	37,898	-	-	91,848	-	-	-	129,746
Total expenditures	29	37,898	65	100	91,848	28,239	22,159	-	180,338
Excess (deficit) of revenues over (under) expenditures	26,698	1,248	(12)	(100)	11,710	15,714	15,013	-	70,271
Other financing sources (uses):									
Transfers in	-	-	2,500	100	50,000	-	-	(2,500)	50,100
Transfers out	(16,053)	(2,500)	(80)	-	-	-	-	2,500	(16,133)
Total other financing sources (uses)	(16,053)	(2,500)	2,420	100	50,000	-	-	-	33,967
Net change in fund balances	10,645	(1,252)	2,408	-	61,710	15,714	15,013	-	104,238
Fund balances, beginning of year	65,123	7,277	-	(33)	387,974	124,626	142,456	-	727,423
Fund balances, end of year	\$ 75,768	\$ 6,025	\$ 2,408	\$ (33)	\$ 449,684	\$ 140,340	\$ 157,469	\$ -	\$ 831,661

CITY OF BASEHOR, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS RESERVE FUND
Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Sales taxes	\$ 476,250	\$ 539,478	\$ 63,228
Intergovernmental	1,500,000	30,250	(1,469,750)
Investment income	-	679,715	679,715
Miscellaneous	-	15,200	15,200
 Total revenues	 1,976,250	 1,264,643	 (711,607)
Expenditures:			
Debt service expenditures	-	156,333	156,333
Capital outlay	7,131,117	7,021,324	(109,793)
 Total expenditures	 7,131,117	 7,177,657	 46,540
 Deficiency of revenues under expenditures	 (5,154,867)	 (5,913,014)	 (758,147)
Other financing sources (uses):			
Transfers out	-	(250,000)	(250,000)
General obligation bonds issued	4,000,000	8,295,000	4,295,000
Premium on general obligation bonds issued	-	223,414	223,414
 Total other financing sources (uses)	 4,000,000	 8,268,414	 4,268,414
 Net change in fund balances	 <u>\$ (1,154,867)</u>	 2,355,400	 <u>\$ 3,510,267</u>
 Fund balance, beginning of year		 <u>10,115,678</u>	
 Fund balance, end of year		 12,471,078	
 Explanation of difference between budgetary and GAAP fund balances:			
 Sales tax receivable		 <u>98,910</u>	
 Fund balance on the basis of GAAP		 <u>\$ 12,569,988</u>	

CITY OF BASEHOR, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL ALCOHOL AND DRUG FUND
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 23,000	\$ 24,774	\$ 1,774
Investment income	- -	- -	1,953	1,953
Total revenues	- -	23,000	26,727	3,727
Expenditures:				
Contractual expenses	- -	22,000	29	(21,971)
Excess of revenues over expenditures	- -	1,000	26,698	25,698
Other financing uses:				
Transfers out	- -	- -	(16,053)	(16,053)
Net change in fund balances	<u>\$ - -</u>	<u>\$ 1,000</u>	<u>10,645</u>	<u>\$ 9,645</u>
Fund balance, beginning of year			<u>65,123</u>	
Fund balance, end of year			<u>\$ 75,768</u>	

CITY OF BASEHOR, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 21,027	\$ 18,527	\$ (2,500)
Use of property	48,250	48,250	-
Licenses, permits and fees	27,781	16,400	(11,381)
Donations	-	3,090	3,090
Investment income	589	11,044	10,455
 Total revenues	 97,647	 97,311	 (336)
Expenditures:			
Contractual expenses	89,644	91,848	2,204
 Excess of revenues over expenditures	 8,003	 5,463	 (2,540)
Other financing sources:			
Transfers in	50,000	50,000	-
 Net change in fund balances	 \$ 58,003	 55,463	 \$ (2,540)
 Fund balance, beginning of year		 369,224	
 Fund balance, end of year		 424,687	
Explanation of difference between budgetary and GAAP fund balances:			
Accounts receivable		 24,997	
 Fund balance on the basis of GAAP	 \$ 449,684		

CITY OF BASEHOR, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CEDAR LAKES MAINTENANCE FUND
Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Licenses, permits and fees	\$ 40,000	\$ 40,000	\$ -
Investment income	<u>347</u>	<u>3,953</u>	<u>3,606</u>
Total revenues	40,347	43,953	3,606
Expenditures:			
Contractual expenses	<u>40,000</u>	<u>28,239</u>	<u>(11,761)</u>
Net change in fund balances	<u>\$ 347</u>	<u>15,714</u>	<u>\$ 15,367</u>
Fund balance, beginning of year		<u>124,626</u>	
Fund balance, end of year		<u>\$ 140,340</u>	

CITY OF BASEHOR, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GLENWOOD MAINTENANCE FUND
Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Licenses, permits and fees	\$ 33,000	\$ 33,000	\$ -
Investment income	<u>395</u>	<u>4,172</u>	<u>3,777</u>
 Total revenues	 33,395	 37,172	 3,777
Expenditures:			
Contractual expenses	33,000	22,159	(10,841)
 Net change in fund balances	 <u>395</u>	 <u>15,013</u>	 <u>\$ 14,618</u>
 Fund balance, beginning of year		 142,456	
 Fund balance, end of year		 <u>\$ 157,469</u>	

CITY OF BASEHOR, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BOND AND INTEREST FUND
Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
County and state taxes	\$ 16,400	\$ 66,525	\$ 50,125
Special assessments	286,058	289,468	3,410
Investment income	2,500	16,280	13,780
 Total revenues	 304,958	 372,273	 67,315
Expenditures:			
Debt service expenditures	1,210,491	1,334,698	124,207
 Deficiency of revenues under expenditures	 (905,533)	 (962,425)	 (56,892)
Other financing sources:			
Transfers in	650,000	925,000	275,000
 Net change in fund balances	 \$ (255,533)	 (37,425)	 \$ 218,108
 Fund balance, beginning of year		 583,958	
 Fund balance, end of year		 546,533	
 Explanation of difference between budgetary and GAAP fund balances:			
 Sales tax receivable		 9,744	
 Fund balance on the basis of GAAP		 \$ 556,277	

CITY OF BASEHOR, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SEWER UTILITY FUND
Year Ended December 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues:			
Charges for services	\$ 1,962,573	\$ 2,219,316	\$ 256,743
Investment income	5,100	138,235	133,135
Miscellaneous	<u>42,636</u>	<u>9,254</u>	<u>(33,382)</u>
 Total revenues	 2,010,309	 2,366,805	 356,496
Expenditures:			
Sewer expenditures	4,047,523	781,103	(3,266,420)
 Excess (deficiency) of revenues over (under) expenditures	 <u>(2,037,214)</u>	 <u>1,585,702</u>	 <u>3,622,916</u>
Other financing sources (uses):			
Transfers in	-	40	40
Transfers out	<u>-</u>	<u>(225,000)</u>	<u>(225,000)</u>
 Total other financing sources (uses)	 <u>-</u>	 <u>(224,960)</u>	 <u>(224,960)</u>
 Net change in fund balances	 <u>\$ (2,037,214)</u>	 <u>1,360,742</u>	 <u>\$ 3,397,956</u>
 Fund balance, beginning of year		 <u>3,892,204</u>	
 Fund balance, end of year		 <u>5,252,946</u>	
 Explanation of difference between budgetary and GAAP fund balances:			
Accounts receivable		201,085	
Capital assets		13,216,689	
Encumbrances		20,608	
Accrued interest		(21,308)	
Compensated absences		(42,770)	
Accrued payroll		(9,044)	
Bonds payable		<u>(2,694,417)</u>	
 Fund balance on the basis of GAAP	 <u>\$ 15,923,789</u>		

CITY OF BASEHOR, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SOLID WASTE UTILITY FUND
Year Ended December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
				Positive (Negative)
Revenues:				
Charges for services	\$ 587,883	\$ 683,247	\$ 687,387	\$ 4,140
Investment income	510	510	2,025	1,515
Miscellaneous	8,660	8,660	3,949	(4,711)
Total revenues	597,053	692,417	693,361	944
Expenditures:				
Solid waste expenditures	580,391	701,221	656,791	(44,430)
Excess of revenues over expenditures	16,662	(8,804)	36,570	45,374
Other financing sources (uses):				
Transfers in	-	-	40	40
Transfers out	-	-	(33,323)	(33,323)
Total other financing sources (uses)	-	-	(33,283)	(33,283)
Net change in fund balances	<u>\$ 16,662</u>	<u>\$ (8,804)</u>	3,287	<u>\$ 12,091</u>
Fund balance, beginning of year			43,922	
Fund balance, end of year			47,209	
Explanation of difference between budgetary and GAAP fund balances:				
Accounts receivable			84,158	
Compensated absences			(8,419)	
Accrued payroll			(2,650)	
Fund balance on the basis of GAAP	<u>\$ 120,298</u>			