

**CITY OF BASEHOR, KANSAS**

**Financial Statements for the  
Year Ended December 31, 2019  
And Independent Auditors' Report**

## **CITY OF BASEHOR, KANSAS**

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## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Basehor, Kansas

We have audited the accompanying 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, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Accounting and Audit Guide*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the 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 of Basehor, Kansas, as of December 31, 2019, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the general fund, consolidated highway fund, capital improvements reserve fund, employee benefit fund and bond and interest fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12, the schedule of the City's proportionate share of the net pension liability on page 49, and the schedule of the City's contributions on page 49 be presented to supplement the basic financial statements. Such information, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Michael D. Peroo, CPA PA

Olathe, Kansas

June 29, 2020

CITY OF BASEHOR, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
UNAUDITED

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, 2019. We encourage readers to consider the information presented here along with the City's basic financial statements which begin on page 13, and the related notes to the basic financial statements which begin on page 28.

**Financial Highlights**

- The assets and deferred outflow of resources of the City increased 5.29% from 2018. Total assets and deferred outflow of resources at December 31, 2019 was \$38,390,956 compared to \$36,461,379 at December 31, 2018.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2019 by \$21,404,531 (net position).
- The City's total net position increased by \$254,725. The Governmental Activities increased \$144,914 and the Business Type Activities increased \$109,811.
- The City's capital assets at December 31, 2019 were \$26,528,936, \$13,371,638 in Governmental Activities and \$13,157,298 in Business type Activities. The City had capital asset additions of \$1,647,170 and depreciation expense of \$1,730,465 in 2019.
- As of December 31, 2019, the City's governmental funds reported combined ending fund balances of \$6,822,351, an increase of \$2,045,550 from the prior year. The primary reason for the overall increase in fund balance of the City's governmental funds was attributable to the issuance of general obligation bonds of \$3,175,277.
- At December 31, 2019, the fund balance for the general fund was \$2,571,955 or 91% of general fund revenues
- The City's total debt, including temporary notes, increased by \$1,462,169 during 2019 to a total of \$12,662,624 The key factor in this increase was issuance of \$3,140,000 of general obligation debt.
- The Net Pension Liability as of the end of the year is \$1,431,300, an increase of \$29,286.

**Overview of the Financial Statements**

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

**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two 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 10 individual governmental funds. 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. Data from the other 5 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 50-53 of this report.

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 to demonstrate compliance with this budget.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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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. Individual fund data for these funds are on pages 25-27.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements begin on page 28. 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**

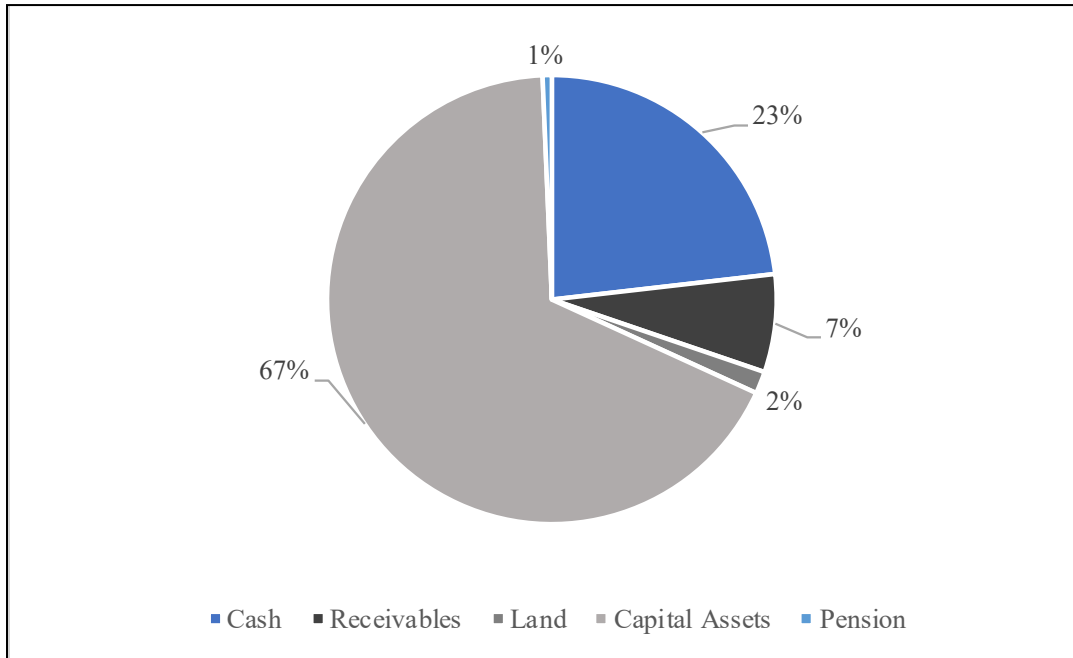
As noted earlier, net position may serve, over time, as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$21,404,531 at December 31, 2019. The City's net position increased by \$254,725. Governmental activities increased net position by \$144,914 while business-type activities increased net position by \$109,811 in 2019.

The following is a comparative summary of Statements of Net Position at December 31, 2019 and 2018:

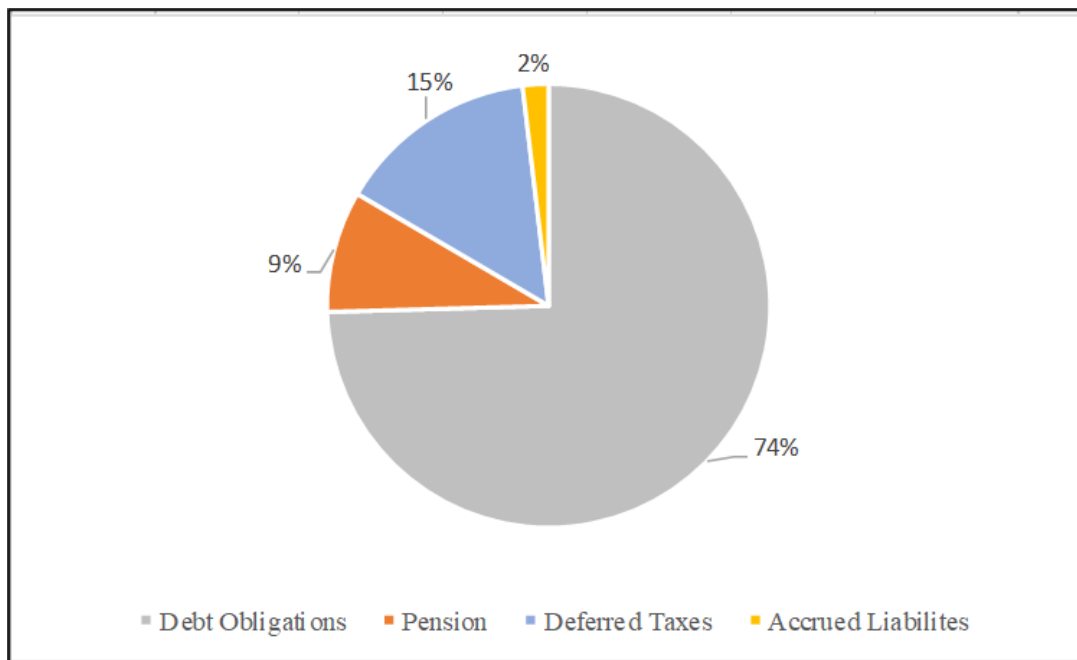
	Governmental Activities		Business Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
<b>ASSETS:</b>						
Current and other assets	\$ 9,675,332	\$ 7,618,095	\$ 2,186,688	\$ 2,231,053	\$ 11,862,020	\$ 9,849,148
Capital assets	13,371,638	12,862,723	13,157,298	13,749,508	26,528,936	26,612,231
<b>Total Assets</b>	<b>\$ 23,046,970</b>	<b>\$ 20,480,818</b>	<b>\$ 15,343,986</b>	<b>\$ 15,980,561</b>	<b>\$ 38,390,956</b>	<b>\$ 36,461,379</b>
<b>LIABILITIES:</b>						
Current and other liabilities	\$ 1,840,440	\$ 1,145,988	\$ 642,360	\$ 802,043	\$ 2,482,800	\$ 1,948,031
Long-term liabilities	9,521,843	7,795,057	4,981,782	5,568,485	14,503,625	13,363,542
<b>Total Liabilities</b>	<b>11,362,283</b>	<b>8,941,045</b>	<b>5,624,142</b>	<b>6,370,528</b>	<b>16,986,425</b>	<b>15,311,573</b>
<b>NET ASSETS:</b>						
Net investments in capital assets	6,253,996	7,952,054	7,612,316	7,459,722	13,866,312	15,411,776
Restricted	845,131	395,930			845,131	395,930
Unrestricted	4,585,560	2,891,789	2,107,528	2,150,311	6,693,088	5,042,100
<b>Total Net Assets</b>	<b>11,684,687</b>	<b>11,239,773</b>	<b>9,719,844</b>	<b>9,610,033</b>	<b>21,404,531</b>	<b>20,849,806</b>
	<b>\$ 23,046,970</b>	<b>\$ 20,180,818</b>	<b>\$ 15,343,986</b>	<b>\$ 15,980,561</b>	<b>\$ 38,390,956</b>	<b>\$ 36,161,379</b>

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The largest portion of the City's net assets, 67%, reflects its investments in capital assets (e.g. land, buildings, equipment, improvements, and infrastructure) and cash, 23%, reflects investments in certificate of deposits, bank accounts, and municipal investment pool. The City had unrestricted cash of \$8,053,871 and restricted cash of \$845,131 at December 31, 2019. The restricted cash is for bond and interest debt service payments and for the Falcon Lakes impact fees.



The following is an allocation of the liabilities and deferred inflow of resources at December 31, 2019:





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The total liabilities of the City increased \$1,674,858 from 2018. The increase in liabilities was result of the City issuing General Obligation Bonds of \$3,175,278 (includes bond premiums of \$35,278). General obligation bonds account for 74% of the total liabilities.

The City has a Current Ratio of 4.66 at December 31, 2019. The Current Ratio compares the current assets to current liabilities. This ratio determines if the City can meet its current obligations. The current ratio in 2018 was 4.50. A ratio greater than 2 is considered excellent.

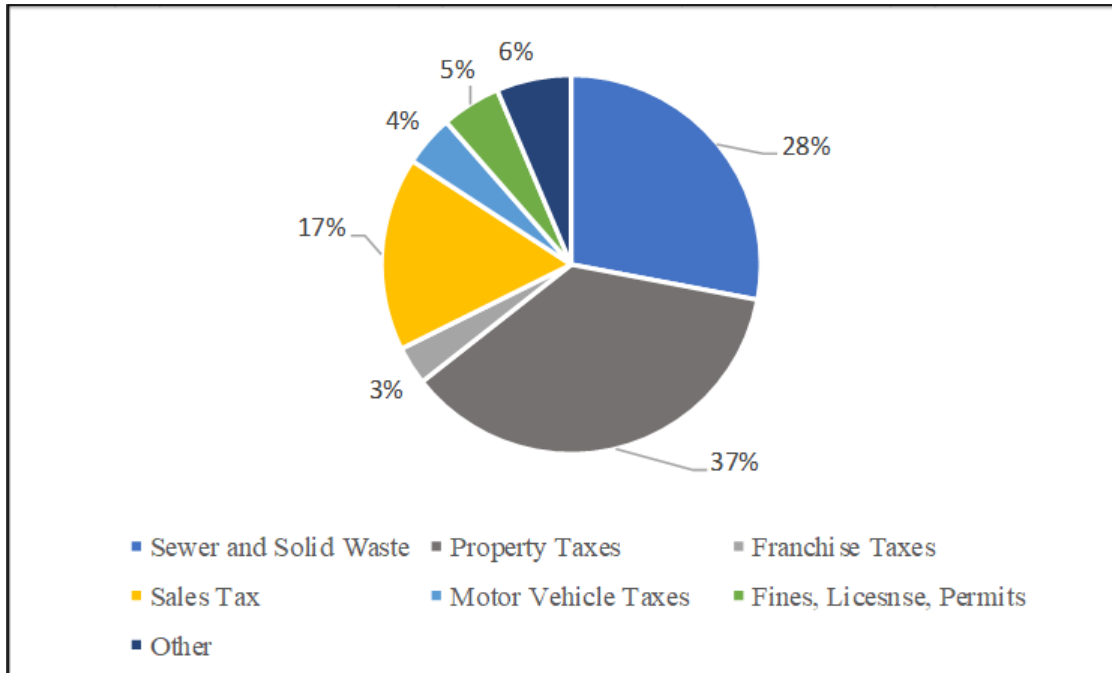
Analysis of the City's Operations – Overall the City had an increase in net assets of \$254,725. Tax revenues increased \$256,794, of which sales tax accounted for 49% of the increase, and property and motor vehicle taxes accounted for 30%. Program expenses increased 21% from 2018. The increase was related to public works which had an increase in various street maintenance and curb rehab work. Sewer and solid waste charges decreased 3.73% which was related to a decrease in sewer connection fees. Sewer and solid waste operating expenses increased 4.53% to \$1,981,826 in 2019 compared to \$1,895,934 in 2018.

The following is a comparison of the City's operations for 2019 and 2018:

	Governmental Activities			Business Type Activities			Totals		
	2019	2018	% Change	2019	2018	% Change	2019	2018	% Change
<b>REVENUES:</b>									
<b>Program Revenues:</b>									
Charges for services	\$ 418,321	\$ 463,078	-9.67%	\$ 2,251,119	\$ 2,382,141	-5.50%	\$ 2,669,440	\$ 2,845,219	-6.18%
<b>General Revenues:</b>									
Property taxes	2,935,967	2,950,369	-0.49%				2,935,967	2,950,369	-0.49%
Franchise taxes	268,678	290,664	-7.56%				268,678	290,664	-7.56%
Liquor taxes	43,066	30,969	39.06%				43,066	30,969	39.06%
Sales tax	1,354,446	1,227,354	10.35%				1,354,446	1,227,354	10.35%
Motor vehicle tax	356,498	314,055	13.51%				356,498	314,055	13.51%
Excise tax	77,309	30,591	152.72%				77,309	30,591	152.72%
Other taxes	175,617	158,885	10.53%				175,617	158,885	10.53%
Total taxes	5,211,581	5,002,887	4.17%				5,211,581	5,002,887	4.17%
Interest income	138,922	104,895	32.44%	32,433	34,958		171,355	139,853	22.53%
Miscellaneous	62,088	47,818	29.84%	42,255			104,343	47,818	118.21%
Total General Revenues	5,412,591	5,155,600	4.98%	74,688	34,958		5,487,279	5,190,558	5.72%
<b>Total Revenues</b>	<b>5,830,912</b>	<b>5,618,678</b>	<b>3.78%</b>	<b>2,325,807</b>	<b>2,417,099</b>	<b>-3.78%</b>	<b>8,156,719</b>	<b>8,035,777</b>	<b>1.51%</b>
<b>Program Expenses</b>									
General government	1,938,664	2,119,297	-8.52%				1,938,664	2,119,297	-8.52%
Public safety	1,296,501	1,111,762	16.62%				1,296,501	1,111,762	16.62%
Public works	2,330,740	1,356,935	71.77%				2,330,740	1,356,935	71.77%
Culture and recreation	215,524	87,029	147.65%				215,524	87,029	147.65%
Interest expnese	138,739	81,907	69.39%				138,739	81,907	69.39%
Sewer				1,569,064	1,507,025	4.12%	1,569,064	1,507,025	4.12%
Solid waste				412,762	388,909	6.13%	412,762	388,909	6.13%
<b>Total Expenses</b>	<b>5,920,168</b>	<b>4,756,930</b>	<b>24.45%</b>	<b>1,981,826</b>	<b>1,895,934</b>	<b>4.53%</b>	<b>7,901,994</b>	<b>6,652,864</b>	<b>18.78%</b>
Change in net assets, before transfers	(89,256)	861,748	-110.36%	343,981	521,165	-34.00%	254,725	1,382,913	-81.58%
Transfers	234,170	470,942	-50.28%	(234,170)	(470,942)	-50.28%			
<b>Change in net assets</b>	<b>\$ 144,914</b>	<b>\$ 1,332,690</b>	<b>-89.13%</b>	<b>\$ 109,811</b>	<b>\$ 50,223</b>	<b>118.65%</b>	<b>\$ 254,725</b>	<b>\$ 1,382,913</b>	<b>-81.58%</b>

CITY OF BASEHOR, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
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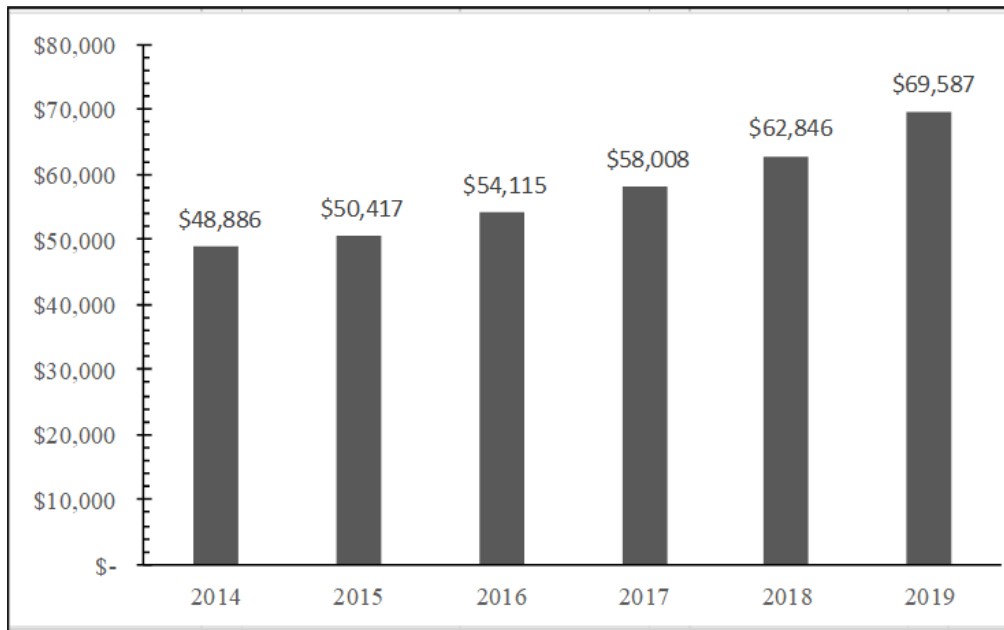
The following represents the allocation of the City's revenues:



Property taxes, which includes special assessments, accounted for 37% of the total revenues in 2019 and 2018. Property taxes account for 57% of the tax revenues in 2019, and 59% in 2018. 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. In 2019, the City had 2,244 housing units and 62 commercial properties.

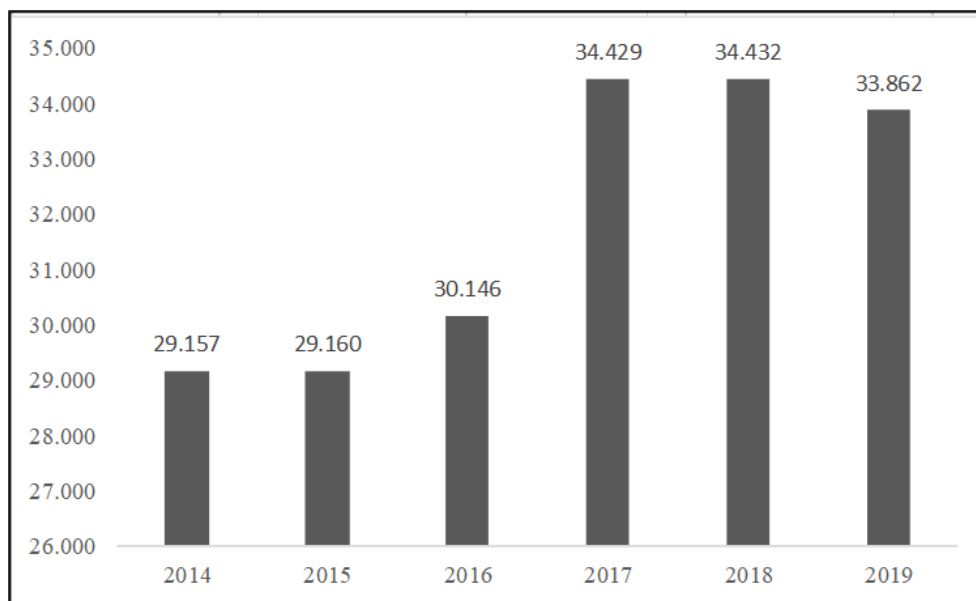
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The following represents the assessed value obtained from the annual budget filings:



The assessed value has increased at a compounded annual growth rate of (CAGR) of 6.06% from 2014. The increase in value is attributed to the increase in the appraised value of properties and the increase in population growth, which has increased at a CAGR of 3.44% since 2014.

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 2019, one mill was valued at \$69,587 per \$1,000 dollars of assessed value. The following represents the actual mill levies:



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**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 the end of 2019, unassigned fund balance of the fund was \$2,571,955, which is 91% of the total General Fund revenues. The fund balance of the General Fund decreased by \$241,515 during 2019. The revenues increased by \$102,156 (3.7%). Expenditures increased by \$411,848 (19.9%).

The Consolidated Highway Fund had a total fund balance of \$2,103,441 of which \$379,233 is restricted. The net increase in the fund balance during 2019 was \$1,323,114. The increase was caused by the issuance of the general obligation bonds.

The Capital Improvements Reserve Fund had a total fund balance of \$996,530 which represented an increase of \$772,424. The increase was related to the issuance of general obligation bonds.

The Employee Benefit Fund had a total fund balance of \$385,427 which represented an increase \$57,376. The increase was related to the increase in taxes.

The Bond and Interest Fund had a total fund balance of \$465,898 which represented an increase of \$101,101.

**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 2019 was \$9,633,792; and the Solid Waste Fund was \$86,052. The total change in net position for the Sewer Utility and Solid Waste Utility were \$97,98 and \$11,863, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

The Sewer Utility Fund had an Operating Ratio of 1.77. 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**

During the year, revenues were more than budgetary estimates by \$183,135 (6.9%). Taxes were \$44,816 more than budget due to an increase in sales tax which were \$38,248 above the budget. Total expenditures were less than budgetary estimates by \$1,389,335 (35.9%). As part of the budgeting process

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the City budgets for a contingency reserve for unforeseen expenditures. Culture and recreation was over-budget by \$102.

### 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, 2019, totaled \$26,528,936 (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 Note 6 to the Basic Financial Statements.

Major capital asset events in 2019 consist of the following:

- The City paid \$1,969,177 for the improvement of Garden Parkway.
- The City improved the roof of City Hall for \$23,274
- The City renovated Police Department building for \$1,302,354

	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 614,759	\$ 550,659	\$	\$	\$ 614,759	\$ 550,659
Buildings, equipment, infrastructure	28,837,608	24,697,342	28,732,335	28,711,676	57,569,943	53,409,018
Construction in progress		2,577,855			-	2,577,855
Accumulated depreciation	(16,080,729)	(14,963,133)	(15,575,037)	(14,962,168)	(31,655,766)	(29,925,301)
Totals	\$ 13,371,638	\$ 12,862,723	\$ 13,157,298	\$ 13,749,508	\$ 26,528,936	\$ 26,612,231

#### **Long-term debt**

The following represents the outstanding debt at December 31, 2019:

Description	Date of Issuance	Maturity	Interest Rate	Governmental Activities		Business Type Activities		Total	
				2019	2018	2019	2018	2019	2018
Refunding and improvements, Series 2012	8/8/2012	9/1/2032	2.00 - 3.00%	\$ 1,846,592	\$ 2,328,892	\$ 1,658,408	\$ 2,086,108	\$ 3,505,000	\$ 4,415,000
Improvements, Series 2004	1/15/2014	9/1/2019	3.25-4.35%		10,350		4,650	-	15,000
Refunding, Series 2013	1/15/2013	9/1/2025	2.00%	1,045,000	1,460,000			1,045,000	1,460,000
Improvements, Series 2015	8/26/2015	9/1/2035	2.00 - 4.00%	845,096	883,597	254,904	266,404	1,100,000	1,150,001
Improvements, Series 2019-A	3/21/2019	9/1/2039	1.70 - 3.125%	2,105,000				2,105,000	-
Refunding, Series 2016	6/3/2016	9/1/2030	2.00 -2.25%			3,305,000	3,580,000	3,305,000	3,580,000
Temporary Notes, Series 2019	3/21/2019	4/1/2020	2%	1,035,000				1,035,000	-
Bond Premium				240,954	227,830	326,670	352,624	567,624	580,454
Total General Obligation Bonds				7,117,642	4,910,669	5,544,982	6,289,786	12,662,624	11,200,455
Capital Lease				2,700	5,100			2,700	5,100
Total Outstanding Debt				\$ 7,120,342	\$ 4,915,769	\$ 5,544,982	\$ 6,289,786	\$ 12,665,324	\$ 11,205,555

CITY OF BASEHOR, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
UNAUDITED

In 2019, the City issued Improvement Bonds and Temporary Notes in the amounts of \$2,105,000 and \$1,035,000, respectively.

The rating for the City's general obligation bonds is a AA+/Stable rating from Standard & Poor's (S&P) which 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 current debt limitation for the City is \$24,264,809 which is significantly higher than the City's outstanding general obligation bonds.

**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 2620 North 155<sup>th</sup> Street, Basehor, Kansas 66007 or (913) 724-1370.

## CITY OF BASEHOR, KANSAS

GOVERNMENT-WIDE STATEMENT OF NET POSITION  
DECEMBER 31, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Primary Government Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 6,046,008	\$ 2,007,863	\$ 8,053,871
Receivables			
Taxes	2,496,622	-	2,496,622
Municipal court	14,056	-	14,056
Accounts	19,053	178,825	197,878
Total current assets	8,575,739	2,186,688	10,762,427
<b>NONCURRENT ASSETS:</b>			
Nondepreciable capital assets			
Construction in process	-	-	-
Land	614,759		614,759
Total nondepreciable capital assets	614,759	-	614,759
Decreciable capital assets			
Fixed assets	28,837,608	28,732,335	57,569,943
Less accumulated depreciation	(16,080,729)	(15,575,037)	(31,655,766)
Total depreciable capital assets	12,756,879	13,157,298	25,914,177
Total capital assets	13,371,638	13,157,298	26,528,936
Restricted cash and cash equivalents	845,131	-	845,131
Total noncurrent assets	14,216,769	13,157,298	27,374,067
Total assets	22,792,508	15,343,986	38,136,494
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Pension liability	254,462	-	254,462
Total deferred outflow of resources	254,462	-	254,462
Total Assets and Deferred Outflow of Resources	\$ 23,046,970	\$ 15,343,986	\$ 38,390,956
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 13,569	\$ 734	\$ 14,303
Accrued liabilities	88,328	16,451	104,779
Accrued Interest payable	73,401	37,930	111,331
Compensated absences payable	65,942	24,045	89,987
Current portion of capital lease payable	2,400	-	2,400
Current portion of general obligation bonds payable	1,596,800	563,200	2,160,000
Total current liabilities (payable from current assets)	1,840,440	642,360	2,482,800
<b>NONCURRENT LIABILITIES:</b>			
Net pension liability	1,431,300	-	1,431,300
Capital lease payable	-	-	-
General obligation bonds payable	5,520,842	4,981,782	10,502,624
Total noncurrent liabilities	6,952,142	4,981,782	11,933,924
Total liabilities	8,792,582	5,624,142	14,416,724
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - property taxes	2,496,622	-	2,496,622
Pension liability	73,079	-	73,079
Total deferred inflows of resources	2,569,701	-	2,569,701
Total liabilities and deferred inflows of resources	11,362,283	5,624,142	16,986,425
<b>NET POSITION:</b>			
Net investment in capital assets	6,253,996	7,612,316	13,866,312
Restricted for:			
Debt service	465,898	-	465,898
Capital outlay	379,233	-	379,233
Total restricted	845,131	-	845,131
Unrestricted	4,585,560	2,107,528	6,693,087
Total net position	11,684,687	9,719,844	21,404,531
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 23,046,970	\$ 15,343,986	\$ 38,390,956

## CITY OF BASEHOR, KANSAS

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business Type Activities	
Governmental activities:						
General government	\$ 1,938,664	\$	\$	\$ (1,938,664)	\$	\$ (1,938,664)
Public safety	1,296,501	135,664		(1,160,837)		(1,160,837)
Public works	2,330,740	237,657		(2,093,083)		(2,093,083)
Culture and recreation	215,524	45,000		(170,524)		(170,524)
Interest on long-term debt	138,739			(138,739)		(138,739)
Total governmental activities	5,920,168	418,321	-	(5,501,847)	-	(5,501,847)
Business-type activities:						
Sewer Utility	1,569,064	1,759,220	77,596		267,752	267,752
Solid Waste Utility	412,762	414,303			1,541	1,541
Total business-type activities	1,981,826	2,173,523	77,596	-	269,293	269,293
Total primary government	\$ 7,901,994	\$ 2,591,844	\$ 77,596	(5,501,847)	269,293	(5,232,554)
General Revenues:						
Property taxes levied for:						
General purposes				2,094,404		2,094,404
Debt Service				841,563		841,563
Franchise tax				268,678		268,678
Liquor tax				43,066		43,066
Sales tax				1,354,446		1,354,446
Motor vehicle tax				356,498		356,498
Excise tax				77,309		77,309
Impact fees				48,100		48,100
Miscellaneous tax				175,617		175,617
Interest earnings				138,922	32,433	171,355
Miscellaneous				13,988	42,255	56,243
Transfers, net				234,170	(234,170)	-
Total general revenues				5,646,761	(159,482)	5,487,278
Change in net assets				144,914	109,811	254,725
Net position at beginning of year				11,539,773	9,610,033	21,149,806
Net position at end of year				\$ 11,684,687	\$ 9,719,844	\$ 21,404,531



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**CITY OF BASEHOR, KANSAS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	General	Consolidated Highway	Capital Improvements Reserve
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 2,640,743	\$ 1,724,209	\$ 996,530
Receivables			
Taxes	1,553,863		
Municipal court	14,056		
Accounts	19,053		
Restricted cash and cash equivalents		379,233	
	<u>\$ 4,227,715</u>	<u>\$ 2,103,442</u>	<u>\$ 996,530</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 13,569	\$ -	\$ -
Accrued liabilities	88,328		
Accrued compensated absences			
Total liabilities	<u>101,897</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - property taxes	<u>1,553,863</u>		
Total deferred inflows of resources	<u>1,553,863</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,655,760</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE:</b>			
Restricted		379,233	
Assigned		1,724,209	996,530
Unassigned	<u>2,571,955</u>		
Total fund balance	<u>2,571,955</u>	<u>2,103,442</u>	<u>996,530</u>
	<u>\$ 4,227,715</u>	<u>\$ 2,103,442</u>	<u>\$ 996,530</u>

	Employee Benefit	Bond and Interest	Non-Major Governmental Funds	Total
\$	385,427	\$ 0	\$ 299,099	\$ 6,046,008
	550,632	392,127		2,496,622
				14,056
				19,053
		465,898		845,131
\$	<u>936,059</u>	<u>\$ 858,025</u>	<u>\$ 299,099</u>	<u>\$ 9,420,870</u>
\$	\$	\$	\$	13,569
				88,328
				-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,897</u>
	550,632	392,127		2,496,622
	<u>550,632</u>	<u>392,127</u>	<u>-</u>	<u>2,496,622</u>
	<u>550,632</u>	<u>392,127</u>	<u>-</u>	<u>2,598,519</u>
		465,898		845,131
	385,427		299,099	3,405,265
				2,571,955
	<u>385,427</u>	<u>465,898</u>	<u>299,099</u>	<u>6,822,351</u>
\$	<u>936,059</u>	<u>\$ 858,025</u>	<u>\$ 299,099</u>	<u>\$ 9,420,870</u>

**CITY OF BASEHOR, KANSAS**

**RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

---

Total Governmentatl Fund Balances		\$ 6,822,351
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmetnal activities are not financial resources and therefore are not reported in the funds:		
The cost of capital assets is	29,452,367	
Accumulated depreciation is	<u>(16,080,729)</u>	13,371,638
Pension contributions are reported as an expense in the funds as a deferred outflow of resources in the governmental activities in the statement of net position		254,462
Pension fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position		(1,504,379)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long term liabilities at year end consist of:		
General obligation bonds payable	7,117,642	
Lease payable	2,400	
Interest payable	73,401	
Compensated absences payable	<u>65,942</u>	<u>(7,259,385)</u>
Net Position of Government Activities		\$ <u><u>11,684,687</u></u>

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**CITY OF BASEHOR, KANSAS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2019**

	General	Consolidated Highway	Capital Improvements Reserve
Revenues:			
County and state taxes	\$ 2,185,932	\$ 832,960	\$ 158,162
Franchise taxes	268,678		
Excise taxes	-	77,309	
Impact fees	-	48,100	
Special assessments	-	-	-
Licenses, permits and fees	150,657	-	-
Fines, forfeitures and penalties	135,664	-	-
Use of property	45,000		
Interest income	37,015	47,144	27,745
Miscellaneous	10,500	-	2,700
Total Revenues	<u>2,833,446</u>	<u>1,005,513</u>	<u>188,607</u>
Expenditures:			
Current			
General government	1,039,294	194,314	27,760
Public works	289,523	-	-
Culture and recreation	71,302	-	-
Public safety	1,061,520	-	-
Neighborhood revitalization cost	22,122		
Capital outlay	-	1,125,842	1,357,662
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>2,483,761</u>	<u>1,320,156</u>	<u>1,385,422</u>
Excess (deficiency) of revenues over (under) expenditures	<u>349,685</u>	<u>(314,643)</u>	<u>(1,196,815)</u>
Other financing sources (uses):			
Transfers in	-	-	500,000
Proceeds from bond issuance		1,667,721	1,507,556
Bond issuance costs		(29,963)	(32,852)
Transfers (out)	(591,200)	-	(5,463)
Total other financing sources (uses)	<u>(591,200)</u>	<u>1,637,758</u>	<u>1,969,241</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other (uses)	<u>(241,515)</u>	<u>1,323,115</u>	<u>772,426</u>
Fund balance at beginning of year	<u>2,813,470</u>	<u>780,327</u>	<u>224,104</u>
Fund balance at end of year	\$ <u><u>2,571,955</u></u>	\$ <u><u>2,103,442</u></u>	\$ <u><u>996,530</u></u>

Employee Benefit	Bond and Interest	Non-Major Governmental Funds	Total
\$ 740,660	\$ 330,867	\$ 28,710	\$ 4,277,291
			268,678
			77,309
			48,100
-	588,302	-	588,302
-	-	87,000	237,657
-	-	-	135,664
			45,000
5,972	18,327	2,719	138,922
-	-	788	13,988
<u>746,632</u>	<u>937,496</u>	<u>119,217</u>	<u>5,830,911</u>
680,946	-	-	1,942,314
-	-	51,356	340,879
-	-	11,960	83,261
-	-	-	1,061,520
8,310			30,432
-	-	114,054	2,597,558
-	948,850	-	948,850
-	127,178	-	127,178
<u>689,256</u>	<u>1,076,028</u>	<u>177,370</u>	<u>7,131,992</u>
57,376	(138,532)	(58,153)	(1,301,081)
-	239,633	91,200	830,833
			3,175,277
			(62,815)
-	-	-	(596,663)
<u>-</u>	<u>239,633</u>	<u>91,200</u>	<u>3,346,632</u>
57,376	101,101	33,047	2,045,552
328,051	364,797	266,052	4,776,801
<u>\$ 385,427</u>	<u>\$ 465,898</u>	<u>\$ 299,099</u>	<u>\$ 6,822,353</u>

## CITY OF BASEHOR, KANSAS

### RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2019

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Total Net Change in Fund Balances - Government Funds		\$ 2,045,552
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.		
Capital outlays	1,626,511	
Depreciation expense	<u>(1,117,596)</u>	508,915
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest increased.		
		(11,561)
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		(2,229)
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		
		946,150
Repayment of capital leases is an expenditure in the government funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		
		2,700
Issuance of bond proceeds is a financing source in the government funds, but increases long-term debt in the statement of net assets and does not affect the statement of activities		
		(3,175,277)
Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities		
		<u>(169,336)</u>
Changes In Net Position of Governmental Activities		\$ <u><u>144,914</u></u>



## CITY OF BASEHOR, KANSAS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Taxes	\$ 2,185,932	\$ -	\$ 2,185,932	\$ 2,141,116	\$ 2,141,116	\$ 44,816
Franchise Taxes	268,678		268,678	257,000	257,000	11,678
Licenses and permits	150,657		150,657	86,800	86,800	63,857
Fines, forfeitures and penalties	135,664	(1,394)	134,270	115,000	115,000	19,270
Use of property	45,000		45,000	39,000	39,000	6,000
Interest income	37,015		37,015	5,000	5,000	32,015
Miscellaneous	10,500		10,500	5,000	5,000	5,500
Total Revenues	<u>2,833,446</u>	<u>(1,394)</u>	<u>2,832,052</u>	<u>2,648,916</u>	<u>2,648,916</u>	<u>183,136</u>
Expenditures:						
General Administration						
Personal services	435,284		435,284	1,112,671	1,112,671	677,387
Contractual services	558,000		558,000	486,600	486,600	(71,400)
Commodities	19,090		19,090	46,350	46,350	27,260
Capital outlay	26,920		26,920	527,100	527,100	500,180
Neighborhood revitalization	22,122		22,122	57,000	57,000	34,878
	<u>1,061,416</u>	<u>-</u>	<u>1,061,416</u>	<u>2,229,721</u>	<u>2,229,721</u>	<u>1,168,305</u>
Public Safety						
Personal services	902,560		902,560	1,059,769	1,059,769	157,209
Contractual services	111,978		111,978	111,250	111,250	(728)
Commodities	38,982		38,982	47,500	47,500	8,518
Capital outlay	8,000		8,000	8,000	8,000	-
	<u>1,061,520</u>	<u>-</u>	<u>1,061,520</u>	<u>1,226,519</u>	<u>1,226,519</u>	<u>164,999</u>
Highways and Streets						
Personal services	247,683		247,683	301,654	301,654	53,971
Contractual services	24,381		24,381	19,500	19,500	(4,881)
Commodities	11,441		11,441	14,500	14,500	3,059
Capital outlay	6,018		6,018	10,000	10,000	3,982
	<u>289,523</u>	<u>-</u>	<u>289,523</u>	<u>345,654</u>	<u>345,654</u>	<u>56,131</u>
Culture and recreation						
Personal services	-		-	17,500	17,500	17,500
Contractual services	70,114		70,114	52,700	52,700	(17,414)
Commodities	1,188		1,188	1,000	1,000	(188)
Capital outlay	-		-	-	-	-
	<u>71,302</u>	<u>-</u>	<u>71,302</u>	<u>71,200</u>	<u>71,200</u>	<u>(102)</u>
Total Expenditures	<u>2,483,761</u>	<u>-</u>	<u>2,483,761</u>	<u>3,873,094</u>	<u>3,873,094</u>	<u>1,389,333</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>349,685</u>	<u>(1,394)</u>	<u>348,291</u>	<u>(1,224,178)</u>	<u>(1,224,178)</u>	<u>(1,206,196)</u>
Other Financing Sources (Uses)						
Transfers (out)	<u>(591,200)</u>		<u>(591,200)</u>	<u>(91,200)</u>	<u>(91,200)</u>	<u>(500,000)</u>
Total Other Financing Sources (Uses)	<u>(591,200)</u>	<u>-</u>	<u>(591,200)</u>	<u>(91,200)</u>	<u>(91,200)</u>	<u>(500,000)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other (Uses)	<u>(241,515)</u>	<u>(1,394)</u>	<u>(242,909)</u>	<u>\$ (1,315,378)</u>	<u>\$ (1,315,378)</u>	<u>\$ (1,706,196)</u>
Fund Balance, January 1	<u>2,813,470</u>	<u>(12,662)</u>	<u>2,800,808</u>			
Fund Balance, December 31	<u>\$ 2,571,955</u>	<u>\$ (14,056)</u>	<u>\$ 2,557,899</u>			

CITY OF BASEHOR, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET  
CONSOLIDATED HIGHWAY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
County and state taxes	\$ 832,960	\$ -	\$ 832,960	\$ 683,898	\$ 683,898	\$ 149,062
Impact fees	48,100		48,100	-	-	48,100
Excise taxes	77,309		77,309	171,600	171,600	(94,291)
Interest income	47,144		47,144	4,500	4,500	42,644
Total Revenues	<u>1,005,513</u>	<u>-</u>	<u>1,005,513</u>	<u>859,998</u>	<u>859,998</u>	<u>145,515</u>
Expenditures:						
Contractual services	119,418		119,418	-	-	(119,418)
Commodities	74,896		74,896	-	-	(74,896)
Capital outlay	1,125,842		1,125,842	665,000	1,465,281	339,439
Total Expenditures	<u>1,320,156</u>	<u>-</u>	<u>1,320,156</u>	<u>665,000</u>	<u>1,465,281</u>	<u>145,125</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(314,643)	-	(314,643)	194,998	(605,283)	390
Other Financing Sources (Uses)						
Transfers in			-	-	-	-
Proceeds from bond issuance	1,667,721		1,667,721	-	1,667,721	0
Bond issuance costs	(29,963)		(29,963)	-	-	29,963
Principal payments on bond			-	-	-	-
Total Other Financing Sources (Uses)	<u>1,637,758</u>	<u>-</u>	<u>1,637,758</u>	<u>-</u>	<u>1,667,721</u>	<u>29,963</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other (Uses)	1,323,115	-	1,323,115	<u>\$ 194,998</u>	<u>\$ 1,062,438</u>	<u>\$ 30,353</u>
Fund Balance, January 1	<u>780,327</u>	<u>-</u>	<u>780,327</u>			
Fund Balance, December 31	<u>\$ 2,103,442</u>	<u>\$ -</u>	<u>\$ 2,103,442</u>			

**CITY OF BASEHOR, KANSAS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET  
CAPITAL IMPROVEMENTS RESERVE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Taxes	\$ 158,162	\$ -	\$ 158,162	\$ 162,794	\$ 162,794	\$ (4,632)
Interest income	27,745		27,745	3,000	7,500	20,245
Miscellaneous	2,700		2,700			2,700
Total Revenues	<u>188,607</u>	<u>-</u>	<u>188,607</u>	<u>165,794</u>	<u>170,294</u>	<u>18,313</u>
Expenditures:						
Contractual services	27,760		27,760	-	-	(27,760)
Capital outlay	1,357,662		1,357,662	1,360,000	1,995,273	637,611
Total Expenditures	<u>1,385,422</u>	<u>-</u>	<u>1,385,422</u>	<u>1,360,000</u>	<u>1,995,273</u>	<u>609,851</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,196,815)</u>	<u>-</u>	<u>(1,196,815)</u>	<u>(1,194,206)</u>	<u>(1,824,979)</u>	<u>(591,538)</u>
Other Financing Sources (Uses)						
Transfers in	500,000		500,000	500,000	500,000	-
Transfers out	(5,463)		(5,463)	-	-	5,463
Proceeds from bond issuance	1,507,556		1,507,556	-	1,507,556	-
Bond issuance costs	(32,852)		(32,852)	-	-	32,852
Principal payments on bond	-		-	-	-	-
Total Other Financing Sources (Uses)	<u>1,969,241</u>	<u>-</u>	<u>1,969,241</u>	<u>500,000</u>	<u>2,007,556</u>	<u>38,315</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other (Uses)	772,426	-	772,428	<u>\$ (694,206)</u>	<u>\$ 182,577</u>	<u>\$ (553,223)</u>
Fund Balance, January 1	<u>224,104</u>	<u>-</u>	<u>224,104</u>			
Fund Balance, December 31	<u>\$ 996,530</u>	<u>\$ -</u>	<u>\$ 996,532</u>			

**CITY OF BASEHOR, KANSAS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET  
EMPLOYEE BENEFIT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
County and state taxes	\$ 740,660	\$ -	\$ 740,660	\$ 736,569	\$ 736,569	\$ 4,091
Use of money and property	5,972		5,972	650	650	5,322
Miscellaneous			-		-	-
Total Revenues	<u>746,632</u>	<u>-</u>	<u>746,632</u>	<u>737,219</u>	<u>737,219</u>	<u>9,413</u>
Expenditures:						
Personnel services	680,946		680,946	864,010	864,010	183,064
Neighborhood revitalization	8,310		8,310			(8,310)
Total Expenditures	<u>689,256</u>	<u>-</u>	<u>689,256</u>	<u>864,010</u>	<u>864,010</u>	<u>174,754</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>57,376</u>	<u>-</u>	<u>57,376</u>	<u>(126,791)</u>	<u>(126,791)</u>	<u>(165,341)</u>
Other Financing Sources (Uses)						
Transfers in	-		-	20,000	20,000	(20,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>(20,000)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other (Uses)	<u>57,376</u>	<u>-</u>	<u>57,376</u>	<u>\$ (106,791)</u>	<u>\$ (106,791)</u>	<u>\$ (185,341)</u>
Fund Balance, January 1	<u>328,051</u>	<u>-</u>	<u>328,051</u>			
Fund Balance, December 31	<u>\$ 385,427</u>	<u>\$ -</u>	<u>\$ 385,427</u>			

**CITY OF BASEHOR, KANSAS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2019**

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,956,415	\$ 51,448	\$ 2,007,863
Accounts receivable	141,179	37,646	178,825
Total current assets	<u>2,097,594</u>	<u>89,094</u>	<u>2,186,688</u>
Noncurrent assets			
Depreciable capital assets	28,732,335	-	28,732,335
Less accumulated depreciation	<u>(15,575,037)</u>	<u>-</u>	<u>(15,575,037)</u>
Total noncurrent assets	<u>13,157,298</u>	<u>-</u>	<u>13,157,298</u>
Total Assets	<u>\$ 15,254,892</u>	<u>\$ 89,094</u>	<u>\$ 15,343,986</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES:</b>			
Current liabilities (payable from current assets)			
Accounts payable	\$ 734	\$ -	\$ 734
Accrued interest	37,930	-	37,930
Compensated absences	24,045	-	24,045
Accrued Payroll	13,409	3,042	16,451
Current portion of general obligation bonds payable	<u>563,200</u>	<u>-</u>	<u>563,200</u>
Total current liabilities (payable from current assets)	<u>639,318</u>	<u>3,042</u>	<u>642,360</u>
Noncurrent liabilities			
General obligation bonds payable	<u>4,981,782</u>	<u>-</u>	<u>4,981,782</u>
Total noncurrent liabilities	<u>4,981,782</u>	<u>-</u>	<u>4,981,782</u>
Total liabilities	<u>5,621,100</u>	<u>3,042</u>	<u>5,624,142</u>
<b>NET POSITION</b>			
Net investment in capital assets	7,612,316	-	7,612,316
Unrestricted	<u>2,021,476</u>	<u>86,052</u>	<u>2,107,528</u>
Total net position	<u>9,633,792</u>	<u>86,052</u>	<u>9,719,844</u>
Total Liabilities and Net Position	<u>\$ 15,254,892</u>	<u>\$ 89,094</u>	<u>\$ 15,343,986</u>

**CITY OF BASEHOR, KANSAS**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
Operating revenues			
Charges for services	\$ 1,517,720	\$ 414,303	\$ 1,932,023
Total operating revenues	<u>1,517,720</u>	<u>414,303</u>	<u>1,932,023</u>
Operating expenses			
Personnel	345,699	50,720	396,419
Contractual services	281,464	359,245	640,709
Commodities	35,522	2,797	38,319
Capital outlay	193,166	-	193,166
Depreciation	612,869	-	612,869
Total operating expenses	<u>1,468,720</u>	<u>412,762</u>	<u>1,881,482</u>
Operating income (loss)	<u>49,000</u>	<u>1,541</u>	<u>50,541</u>
Nonoperating revenues (expenses)			
Interest income	31,520	913	32,433
Miscellaneous income	32,846	9,409	42,255
Connection fees	241,500	-	241,500
Special assessments	77,596	-	77,596
Interest expense	(100,344)	-	(100,344)
Transfers (out)	(234,170)	-	(234,170)
Total nonoperating revenues (expenses)	<u>48,948</u>	<u>10,322</u>	<u>59,270</u>
Change in net position	97,948	11,863	109,811
Net position at January 1	<u>9,535,844</u>	<u>74,189</u>	<u>9,610,033</u>
Net position at December 31	<u>\$ 9,633,792</u>	<u>\$ 86,052</u>	<u>\$ 9,719,844</u>

**CITY OF BASEHOR, KANSAS**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	Solid Waste Utility	Total Enterprise Funds
Cash Flows from Operating Activities:			
Cash received from customers	\$ 1,518,449	\$ 413,708	\$ 1,932,157
Cash paid to suppliers and employess	(832,716)	(429,242)	(1,261,958)
Net Cash Provided by (Used in) Operating Activities	685,733	(15,534)	670,199
Cash Flows from Non-Capital Financing Activities:			
Miscellaenous income	32,846	9,409	42,255
Transfers (in) out	(234,170)		(234,170)
Net Cash Provided by (Used in) Non-Capital Financing Activities	(201,324)	9,409	(191,915)
Cash Flows from Capital and Related Financing Activities:			
Capital asset additions, net	(20,659)		(20,659)
Connection fees	241,500		241,500
Principal paid on bonds, notes and loans	(744,804)		(744,804)
Special assessments	77,596		77,596
Interest expense and fiscal charges	(108,581)		(108,581)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(554,948)	-	(554,948)
Cash Flows from Investing Activities:			
Interest income	31,520	913	32,433
Net Cash Provided by Investing Activities	31,520	913	32,433
Net Increase (Decrease) in Cash and Cash Equivalents	(39,019)	(5,212)	(44,231)
Cash and Cash Equivalents at Beginning of Year	1,995,434	56,660	2,052,094
Cash and Cash Equivalents at End of Year	\$ 1,956,415	\$ 51,448	\$ 2,007,863
Reconciliation of Operating Net Income to Net Cash Provided by Operating Activities:			
Operating income (loss)	\$ 49,000	\$ 1,541	\$ 50,541
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	612,869		612,869
Change in assets and liabilities			
(Increase) decrease in accounts receivable	729	(595)	134
Increase (decrease) in compensated absences/accrued payroll	23,135	(16,480)	6,655
Total adjustments	636,733	(17,075)	619,658
Net Cash Provided by (Used in) Operating Activities	\$ 685,733	\$ (15,534)	\$ 670,199

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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### 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. This summary of significant accounting policies of the City is presented to assist in understanding the City's basic financial statements. The basic financial statements and notes are representations of the City's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to local governments and have been consistently applied in the preparation of the basic financial statements. The following is a summary of the more significant policies:

- a. Reporting Entity - An elected six-member council (including the Mayor) governs the City. As required by GAAP, the financials 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.
- b. Basis of Presentation - The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City's funds are grouped into two broad fund categories for basic financial statement presentation purposes. Governmental funds include the general, special revenue, debt service, and the capital projects funds. Proprietary funds include enterprise and internal service funds.
- c. Basis of Accounting - Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the City (the primary government) as a whole. Internal service funds and other interfund activities are eliminated to avoid "doubling up" revenues and expenses. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Therefore, each of the governmental fund financial statements includes a reconciliation with brief explanations to better identify the relationship between the governmental fund's statements and the government-wide statements. The government-wide statement of activities presents a comparison between expenses and program revenues for each program of the governmental activities. Expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

Fund Financial Statements - Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The major individual enterprise funds are reported



# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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as separate columns in the proprietary fund financial statements. Non-major funds are aggregated and presented in a single column on the governmental and proprietary fund financial statements.

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.

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.

Consolidated Highway - The Consolidated Highway Fund is used to account for road and highway projects.

Capital Improvements Reserve - The Capital Improvements Reserve Fund is used to account for capital improvement projects.

Employee Benefit - The Employee Benefit Fund is used to account for employee benefits.

The City reports the following major proprietary funds:

Sewer Utility - The Sewer Utility Fund accounts for the activities of the sewage treatment plant, sewage pumping stations, and collection systems.

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

Proprietary Funds - Proprietary funds use the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net assets. Proprietary funds include the following fund types:

Enterprise Funds - account for operations that are financed and operated in a manner similar to private business enterprises, as the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds - account for the financing of goods and services, such as insurance and fleet management, provided to other departments or agencies of the City on a cost reimbursement basis. The City does not have funds of this type.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 City's proprietary funds are charges for services. Operating expenses for enterprise funds and internal service 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.

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as they are both measurable and available to finance the City's current operations. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Significant revenues, which are considered susceptible to accrual, include property taxes, sales taxes, franchise taxes, interest, and certain state and federal grants and entitlements. Expenditures, including capital outlays, are recorded in all nonproprietary fund types when the related liability is both measurable and incurred, except for general obligation debt principal and interest which are reported as expenditures in the year 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 on the specific purposes or project before any amounts will be paid to the City; therefore, revenues are recognized based on the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and nearly irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the measurable and available criteria. Licenses and permits, fines and forfeitures, charges for services and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. In accordance with state statutes, projects financed in part by special assessments are financed through issuance of general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments are recorded as unearned revenues in the year the assessments are levied. Special assessments paid in full prior to the issuance of bonds are recorded as revenue in the capital project fund. Special assessments received after the issuance of bonds are recorded as revenue in the Bond and Interest Fund.

- d. Deposits and Investments - The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments (including certificates of deposit) with original maturities of six months or less from the date of acquisition.

Kansas statutes authorize the City to invest in U.S. Treasury bills and notes, repurchase agreements, the Kansas Municipal Investment Pool, and certain other types of federal and Kansas municipal obligations.

Investments are stated at fair market value.

- e. Receivables - Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts, if any.

Property taxes receivable - The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The office of the County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with state statutes, property

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are levied and liens against property are placed on November 1 of the year prior to the fiscal year for which they are budgeted.

Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals. Taxes remaining due and unpaid at February 15 and July 1 are subject to collection procedures prescribed in state statutes.

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the City and therefore are not susceptible to accrual. Accruals of uncollected current year property taxes are offset by deferred revenue and are identical to the adopted budget for 2020.

- f. Capital Assets – Capital assets include property, plant, equipment and infrastructure assets, and 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 estimated fair market value at the date of donation. Capital assets used in governmental fund types of the City are recorded at cost or estimated historical cost if purchased or constructed.

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. Interest incurred during the construction phase of capital assets of business-type is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

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

Buildings	50 - 100
Other equipment	5 - 20
Vehicles	6 - 10
Infrastructure	30 - 75

- g. Compensated Absences - It is the City's policy to permit employees to accumulate earned but unused paid time off. Paid time off earned but unused at termination (if a two-week notice is given) is paid to the employees at their current rate of pay. Vested or accumulated paid time off of the business-type funds and government wide financial statements are recorded as an expense and liability of those funds as the benefits accrue to employees.

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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- h. 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

- i. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported 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.
- j. Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- k. 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports pension contributions subsequent to the measurement date, pension changes in proportion, net differences between projected and actual pension plan investments and pension differences between expected and actual experience as deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government funds report unavailable revenues from one source: property taxes. Pension differences between expected and actual experience, changes in proportion, and pension changes in assumptions are reported as deferred inflows for governmental activities.

- l. Fund Equity - In the fund financial statements, governmental funds report fund balance in the following classifications: non-spendable, restricted, committed, assigned and unassigned. Non-spendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

only be used for specific purposes pursuant to constraints imposed by formal action of the city council. Assigned fund balances include amounts that are constrained by the City management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts is considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.

	General	Consolidated Highway	Capital Improvement Reserve	Employee Benefit	Bond & Interest Fund	Other Governmental Funds	Total
Fund Balances:							
Restricted for:	\$	\$	\$	\$	\$	\$	\$
Debt retirement					465,898		465,898
Capital improvements		379,233					379,233
Assigned for:							
Street projects		1,724,209					1,724,209
Capital improvements			996,530			171,226	1,167,756
Employee benefits				385,427			385,427
Culture and recreation						103,768	103,768
Equipment outlay						24,105	24,105
Unassigned	2,571,955						2,571,955
	<u>\$ 2,571,955</u>	<u>\$ 2,103,442</u>	<u>\$ 996,530</u>	<u>\$ 385,427</u>	<u>\$ 465,898</u>	<u>\$ 299,099</u>	<u>\$ 6,822,351</u>

### Major Business Type Funds

	Sewer Utility Fund	Solid Waste Utility Fund	Total
NET POSITION			
December 31, 2019	\$ 9,633,792	\$ 86,052	\$ 9,719,844
Adjustments			
Capital assets, net	(13,157,298)		(13,157,298)
GO Obligation	5,544,982		5,544,982
Receivables	(141,179)	(37,646)	(178,825)
Other accruals	37,454	3,042	40,496
Accrued interest	37,930		37,930
BUDGETARY NET POSITION			
December 31, 2019	<u>\$ 1,955,681</u>	<u>\$ 51,448</u>	<u>\$ 2,007,129</u>

- m. Budgetary Information - Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.

# **CITY OF BASEHOR, KANSAS**

## **NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019**

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2. Publication in local newspaper of the proposed budget and notice of public hearing on the Budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of Hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were two budget amendments for the year ended December 31, 2019.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds.

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

## **2. DEPOSITS AND INVESTMENTS**

At December 31, 2019 the carrying amounts of the City's deposits were \$8,899,002 and the bank balances were \$9,074,500. The differences between the carrying amount and the bank balances are outstanding checks and deposits in transit. The bank balance is covered by FDIC insurance and collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name. The following represents the composition of deposits and investments at December 31, 2019:

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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Description	Fair Value	Interest Rate	Maturity	Rating
First State Bank - Operating	\$ (69,335)			
First State Bank - Money Market	2,023,707	1.39%		
First State Bank	100			
Commerce Bank	1,000,000	1.57%		
Community National Bank - CD	241,917	1.59%	6/20/2020	
Citizens Savings and Loan - CD	240,000	1.98%	6/10/2020	
Citizens Savings and Loan - CD	251,897	1.59%	11/22/2020	
Kansas Municipal Investment Pool	<u>5,210,716</u>	1.25%	Overnight	S&P AAf/S1+
Total	<u>8,899,002</u>			
Less Restricted Cash:				
Bond and Interest	(465,898)			
Consolidated Highway	<u>(379,233)</u>			
Unrestricted Cash	<u>\$ 8,053,871</u>			

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no 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 to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a Joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50% . There were no designated "peak periods" during the year.

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. The Kansas Municipal Investment Pool is a level 2 input.

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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### Restricted Cash

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). Of the \$2,103,442 of cash in the Consolidated Highway Fund as of December 31, 2019, \$379,233 was subject to this restriction.

The City has various outstanding bonds which are paid through the bond and interest fund. The cash in the bond and interest fund is considered restricted.

### 3. TAXES

**Property Taxes** – The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes is due December 20, prior to the fiscal year for which they are budgeted, and second half is due the following May 10.

**Motor Vehicle Taxes** – Since 1981 most motor vehicles became subject to a special tax paid at the time of registration instead of the traditional property tax. In 1995, the legislature enacted a five-year phase down in the assessment rate on motor vehicles for 30% to 20% of market value.

In 2019, the City received the following from county and state taxes:

	General Fund	Bond & Interest Fund	Highway Fund	Employee Benefit Fund	Other Funds	Totals
Property Taxes	\$ 1,453,296	\$ 253,262	\$	\$ 641,130	\$	2,347,688
Motor Vehicle Taxes	219,075	37,896		99,530		356,501
Sales Taxes	499,206	39,709	657,368		158,162	1,354,445
Specials		588,302				588,302
Excise Tax			77,309			77,309
Alcohol Tax	14,355				28,710	43,065
State Highway Aid			175,592			175,592
	<u>\$ 2,185,932</u>	<u>\$ 919,169</u>	<u>\$ 910,269</u>	<u>\$ 740,660</u>	<u>\$ 186,872</u>	<u>4,942,902</u>



# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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The mill levies are as follows:

	2019	2018
General Fund	20.953	21.159
Bond and Interest Fund	3.661	3.660
Employee Benefit Fund	9.248	9.613
	<u>33.862</u>	<u>34.432</u>

The assessed valuation for 2019 was \$69,576,000, and \$62,846,000 in 2018.

Neighborhood Revitalization Areas - The City had three neighborhood revitalization areas established during the year ended December 31, 2019. NRAs are established under K.S.A. 12-17,114 and subject to City policy. NRAs are provided to assist with spurring investment and revitalization of properties which can benefit a neighborhood and the general public. The program works by rebating a portion (95% for residential property improvements, 50% for commercial and industrial improvements) of the incremental increase in property taxes resulting from property improvements back to the property owner. The base value, or what the property was valued at prior to improvements, is shielded from the rebate. To receive an NRA, individuals or businesses must submit an application to be reviewed by City staff and approved by the City Council. Applicants must also provide verification they are current on all real or personal property taxes. During the year ended December 31, 2019, the City paid \$30,434 to various homeowners under the neighborhood revitalization program.

No other governments have entered into tax abatement agreements that reduce the City's tax revenues.

### 4. RECEIVABLES

The following represents the receivables at December 31, 2019:

	General Fund	Bond & Interest Fund	Employee Benefit	Sewer	Solid Waste	Totals
Trade Receivables	\$	\$	\$	\$ 141,179	\$ 37,646	178,825
Other Receivables	19,053					19,053
Tax Receivable	1,553,863	392,127	550,632			2,496,622
Municipal Court	14,056					14,056
	<u>\$ 1,586,972</u>	<u>\$ 392,127</u>	<u>\$ 550,632</u>	<u>\$ 141,179</u>	<u>\$ 37,646</u>	<u>2,708,556</u>

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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### 5. UTILITIES

The City provides sewer and solid waste services. The City mails their utility bills on the 25th of each month, or next business day. The utility bills are due by the 15<sup>th</sup>, or next business day, of the following month. Bills not paid by the 16th are subject to a late charge fee of 10%.

Sewer bills are based on the average water usage for the months of December, January and February (winter use). If there was no water usage, or it is new service, the sewer bill is \$53 a month. The average water usage that impacts the sewer bills are reset in May of each year. The sewer rates at December 31, 2019 for inside the City was \$12.93, and \$16.18 for outside the City.

The City contracts with a third-party for solid waste services. The solid waste rate at December 31, 2019 was \$15.09 per residence, and \$5.75 per additional container.

### 6. CAPITAL ASSETS

The following represents the changes in capital assets for the year ending December 31, 2019:

#### Governmental Activities:

	Beginning Balance	Additions	Transfers	Ending Balance
Land	550,659		64,100	614,759
Construction in Progress	2,577,855		(2,577,855)	-
Buildings, vehicles, and equipment	24,697,342	1,626,511	2,513,755	28,837,608
	27,825,856	1,626,511	-	29,452,367
Less accumulated depreciation	(14,963,133)	(1,117,596)		(16,080,729)
Book value	<u>12,862,723</u>	<u>508,915</u>	<u>-</u>	<u>13,371,638</u>

#### Business-Type Activities:

Building, vehicles, and equipment	28,711,676	20,659		28,732,335
Less accumulated depreciation	(14,962,168)	(612,869)		(15,575,037)
Book value	<u>13,749,508</u>	<u>(592,210)</u>	<u>-</u>	<u>13,157,298</u>

The City's depreciation expense was charged as follows:

#### Governmental Activities:

General government	\$ 22,577
Public safety	90,499
Public works	526
Culture and recreation	20,772
Infrastructure	983,222
	<u>1,117,596</u>

#### Business Type Activities:

Sewer	<u>612,869</u>
Total Depreciation	<u>\$ 1,730,465</u>

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

### 7. LONG-TERM DEBT

The City's long-term debt is comprised of the following:

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as of follows:

#### Governmental Activities:

Description	Date of Issuance	Maturity	Interest Rate	Original Amount	Outstanding Amount
Refunding and improvements, Series 2012	8/8/2012	9/1/2032	2.00 - 3.00%	\$ 9,345,884	\$ 1,846,592
Refunding, Series 2013	1/15/2013	9/1/2025	2.00%	3,480,000	1,045,000
Improvements, Series 2015	8/26/2015	9/1/2035	2.00 - 4.00%	995,000	845,096
Improvements, Series 2019-A	3/21/2019	9/1/2039	1.70 - 3.125%	2,105,000	2,105,000
Temporary Notes, Series 2019	3/21/2019	4/1/2020	2%	1,035,000	1,035,000
				<u>\$ 16,960,884</u>	<u>\$ 6,876,688</u>

#### Business-type Activities:

Description	Date of Issuance	Maturity	Interest Rate	Original Amount	Outstanding Amount
Refunding and improvements, Series 2012	8/8/2012	9/1/2032	2.00 - 3.00%	\$ 4,175,000	\$ 1,658,408
Improvements, Series 2015	8/26/2015	9/1/2035	2.00 - 4.00%	300,000	254,904
Refunding, Series 2016	6/3/2016	9/1/2030	2.00 -2.25%	4,095,000	3,305,000
				<u>\$ 8,570,000</u>	<u>\$ 5,218,312</u>

The following represents the changes in long-term liabilities:

#### Governmental Activities:

Description	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Improvements, Series 2014	\$ 10,350	\$	\$ 10,350	\$ -	\$
Refunding and improvements, Series 2012	2,328,892		482,300	1,846,592	299,450
Refunding, Series 2013	1,460,000		415,000	1,045,000	165,000
Improvements, Series 2015	883,596		38,500	845,096	42,350
Improvements, Series 2019		2,105,000		2,105,000	55,000
Temporary Notes, Series 2019		1,035,000		1,035,000	1,035,000
Bonds premium	227,830	35,278	22,154	240,954	
	<u>\$ 4,910,668</u>	<u>\$ 3,175,278</u>	<u>\$ 968,304</u>	<u>\$ 7,117,642</u>	<u>\$ 1,596,800</u>

#### Business-type Activities:

Description	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
Improvements, Series 2014	\$ 4,650	\$	\$ 4,650	-	
Refunding and improvements, Series 2012	2,086,108		427,700	1,658,408	265,550
Improvements, Series 2015	266,404		11,500	254,904	12,650
Refunding, Series 2016	3,580,000		275,000	3,305,000	285,000
Bonds premium	352,624		25,954	326,670	
	<u>\$ 6,289,786</u>	<u>\$ -</u>	<u>\$ 744,804</u>	<u>\$ 5,544,982</u>	<u>\$ 563,200</u>

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

The following represent the debt service requirements subsequent to December 31, 2019:

Year	Governmental Activities		Business-type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,596,800	\$ 178,082	\$ 563,200	\$ 113,790	\$ 2,160,000	\$ 291,872
2021	428,400	137,618	416,600	99,870	845,000	237,488
2022	431,050	129,306	423,950	91,538	855,000	220,844
2023	441,350	120,855	433,650	83,059	875,000	203,914
2024	456,350	112,082	443,650	74,352	900,000	186,434
2025	477,850	101,378	452,150	65,306	930,000	166,684
2026	290,500	90,195	464,500	56,077	755,000	146,272
2027	293,150	82,759	471,850	46,599	765,000	129,358
2028	295,800	75,127	484,200	36,848	780,000	111,975
2029	295,800	67,097	489,200	26,617	785,000	93,714
2030	262,250	58,919	277,750	15,295	540,000	74,214
2031	268,750	51,081	111,250	8,579	380,000	59,660
2032	280,250	42,971	114,750	5,539	395,000	48,510
2033	180,450	34,436	19,550	2,346	200,000	36,782
2034	180,450	28,368	19,550	1,564	200,000	29,932
2035	190,450	22,300	19,550	782	210,000	23,082
2036	125,000	15,932			125,000	15,932
2037	130,000	12,182			130,000	12,182
2038	130,000	8,282			130,000	8,282
2039	135,000	4,218			135,000	4,218
	<u>\$ 6,889,650</u>	<u>\$ 1,373,185</u>	<u>\$ 5,205,350</u>	<u>\$ 728,163</u>	<u>\$ 12,095,000</u>	<u>\$ 2,101,349</u>

### Capital Lease

The City entered into a lease agreement with Kansas Department of Transportation (KDOT) (Lessor) on October 1, 2008. The purpose of the lease was to finance communication equipment for public safety in the amount of \$75,600. The term of the lease begins March 1, 2009 and ends March 1, 2020. The outstanding balance at December 31, 2019 is \$2,400.

### Governmental Activities:

Description	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion
KDOT - :Lease	\$ 5,100		2,700	2,400	2,400
	<u>\$ 5,100</u>	<u>\$ -</u>	<u>\$ 2,700</u>	<u>\$ 2,400</u>	<u>\$ 2,400</u>

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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*Special Assessments.* As provided by Kansas Statutes, projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the bond and interest fund. 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. The special assessments receivable are not recorded as revenue when levied against the respective property owners as such amounts are not available to finance current year operations. The special assessment debt is a contingent liability of the City to the extent of property owner defaults, which have historically been immaterial.

### 8. CONTRACTS

In July 2014 the City approved an extension of an existing contract for solid waste collection with Deffenbaugh Industries. The extension is for a period of five years beginning January 1, 2015 and ending December 31, 2019.

### 9. COMPENSATED ABSENCES FOR EMPLOYEES

Full time employees of the City will be eligible for Paid Time Off (PTO) after six months of service. The following represents the hours and days accrued based on months of service.

Months of Service	Accrued Hours Per Payroll	Annual Amount of Accrual Hours	Annual Amount of Accrual Days	Maximum Accrual of Days
0-47	5.6	145.6	18	27
48-107	6.5	169	21	31
108-167	7.5	195	24	36
168-227	8.7	226.2	28	42
228+	9.7	252.2	31	46

At December 31, 2019, City employees had a combined balance of 3,235 hours of PTO at a cash value of \$89,987.

### 10. CONCENTRATIONS OF CREDIT RISK

The City is engaged in the sale of sewer and trash to customers located in Leavenworth County in Kansas. The City grants credit to those customers and requires no collateral.

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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### 11. COMPLIANCE WITH KANSAS LAW

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the City. There were no apparent statutory violations during the year ended December 31, 2019 for the funds that were part of this audit.

### 12. RELATED PARTY

The city was not aware of any related party transactions during the year of 2019.

### 13. RETIREMENT PLANS

#### Deferred Compensation Plan.

All employees employed by the City are entitled to enroll, at the City Council's discretion, in a Deferred Compensation Plan, offered by Mass Mutual or such other insurance company that may offer a plan approved by the Kansas Legislature pursuant to K.S.A. 75-5522 et seq. and K.S.A. 75-5529 et seq. For all employees who enroll in the plan, excluding those participating in the Kansas Police and Firemen (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 payroll for employees covered by the Plan was \$1,172,448. Total gross payroll was \$1,649,144. The contribution for the year ending December 31, 2019, was \$82,485 from employees and \$92,248 from employer.

#### Pension Plan

##### **General Information about the Pension Plan**

*Plan description.* The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Benefits.* Benefits are established by statute and may only be changed by the State Legislature. Police and Firemen with twenty or more years of credited service, may retire as early as age 50, with an actuarially reduced monthly benefit. Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service. Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members 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.

*Contributions.* Member contributions are established by state law and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis. For 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 2.04% of total payroll for the fiscal year ended June 30, 2019. The actuarially determined employer contribution rates and the statutory contribution rates are as follows for the KPERS fiscal year ended June 30, 2019:

	Actuarial Statutory Employer	Employer Rate Capped Rate
Police and Firemen	22.139%	22.13%

Member contribution rates as a percentage of eligible compensation in fiscal year 2019 are 7.15% for Police and Firemen.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member'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 for new hires starting January 1, 2015, was created. 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 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.

The City has 17 employees that participate in the Plan. The payroll for the employees covered by the System for 2019 was \$788,630.

The contribution requirement for the year ended December 31, 2019 was \$230,911, which consisted of \$56,387 from the employees and \$174,524 from the City.

### **Net Pension Liability**

At December 31, 2019 and 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$1,431,300 and \$1,402,014, respectively, for its proportionate share of the net pension liability for the Police and Firemen groups. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS.

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019, using the following actuarial assumptions:

<u>Assumptions</u>	<u>Rate</u>
Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50% to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75%

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.

The long-term expected rate of return of 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 and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Long-Term Expected Asset</u>	<u>Long-Term Allocation</u>	<u>Real Rate of Return</u>
Global Equity	47.00%	6.85%
Fixed Income	13.00%	1.25%
Yield driven	8.00%	6.55%
Real Return	11.00%	1.71%
Real estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term investments	2.00%	-0.25%

*Discount Rate.* The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police & Firemen. Future employer contribution rates were also modeled for Police & Firemen, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The complete actuarial valuation report including all actuarial assumptions and methods, and the



# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

*Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate:

<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
\$2,031,119	\$1,431,300	\$929,137

*Pension Expense.* For the year ended December 31, 2019, the City recognized pension expense of \$218,236, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflow of resources</u>
Differences between expected and actual experience	\$ 80,859	\$ 2,653
Net difference between projected and actual earnings on pension plan investments	28,808	3,870
Changes in assumptions	50,702	1,585
Changes in proportion	<u>68,843</u>	<u>68,841</u>
Total	\$254,462	\$73,079

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</u>	<u>Deferred (Inflows) Outflows Amount</u>
2020	\$ 83,430
2021	7,547
2022	40,785
2023	16,549
2024	(97)
	<u>\$ 148,214</u>

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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### 14. RISK MANAGEMENT

The City is exposed to various risks of loss to torts, theft of, damage to, and destruction of assets, job-related injuries and illnesses to employees. To insure against the various risks, the City has obtained various insurance coverage through One Beacon Insurance Company.

### 15. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of additional expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial. 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 condition of the City.

### 16. TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General Fund	Capital Improvement Fund	K.S.A. 12-1,118	\$ 500,000
General Fund	Municipal Equip Reserve Fund	K.S.A. 12-1,117	91,200
Capital Improvement Fund	Bond and Interest Fund	K.S.A. 12-1,118	5,463
Sewer Utility Fund	Bond and Interest Fund	K.S.A. 12-825d	234,170
			<u>\$ 830,833</u>

### 17. SUBSEQUENT EVENTS

In preparing the financial statements, and according to ASC 855, Subsequent Events, the City has evaluated events and transactions for potential recognition or disclosure through June 29, 2020, the date the financial statements were available to be issued. There are no additional events or transactions that require adjustment to or disclosure in these financial statements.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and recommended worldwide mitigation measures. The extent of COVID-19's effect on the City's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the City's operations. The biggest impact will come from a reduction of sales tax revenues.

# CITY OF BASEHOR, KANSAS

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

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### 18. NEW PRONOUNCEMENTS

The effect on the City's financial statements of the following statements issued, but not yet adopted, has not yet been determined

• GASB Statement No. 87, Leases, issued June 2018, establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties. The provisions of this statement were originally effective for financial statements for the City's fiscal year ending December 31, 2020 and now postponed until December 31, 2022 per GASB Statement No. 95.

• GASB Statement No. 91, Conduit Debt Obligations, provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The provisions of this statement were originally effective for the financial statements for the City's fiscal year ending December 31, 2020 and now postponed until December 31, 2021 per GASB Statement No. 95.

• GASB Statement No. 92, Omnibus 2020, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including: effective date of GASB 87 for interim financial reports; intra-entity transfers between primary governments and component unit pension or OPEB plans; applicability of Statements No. 73 and 74 for reporting assets accumulated for postemployment benefits; applicability of certain requirements of GASB 84 to postemployment benefit arrangements; measurement of asset retirement obligations in government acquisitions; reporting by public entity risk pools for amounts recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements in authoritative literature and terminology used related to derivative instruments. Certain provisions of this statement were effective upon issuance and did not impact the City's financial reporting, other provisions of this statement are were originally effective for financial statements for the City's fiscal year ending December 31, 2021 and now postponed until December 31, 2022.

• GASB Statement No. 93, Replacement of Interbank Offered Rates, provides guidance where some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)-most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions

# **CITY OF BASEHOR, KANSAS**

## **NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019**

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related to the reference rate. The provisions of this statement were originally effective for financial statements for the City's fiscal year ending December 31, 2022 and now postponed until December 31, 2023 per GASB Statement No. 95.

- GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in GASB Statement No. 87, Leases, are postponed by eighteen months.

- GASB Statement No. 96, Subscription-Based Information Technology Arrangements, provides new accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs), which have become increasingly common among state and local governments in recent years. Statement 96 is based on the standards established in Statement 87, Leases. The new defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The guidance requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability (with an exception for short-term SBITAs, those with a maximum possible term of 12 months) and provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. The provisions of this statement will be effective for financial statements for the City's fiscal year ending December 31, 2023.

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**CITY OF BASEHOR, KANSAS**

**KP&F PENSION PLAN - REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Schedule of the City's Proportionate Share of the KP&F Net Pension Liability  
Last Ten Fiscal Years\*

	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
City's proportion of the net pension liability	0.141%	0.146%	0.131%	0.142%	0.143%
City's proportionate share of the net pension liability	\$ 1,431,300	\$ 1,402,014	\$ 1,230,371	\$ 1,317,562	\$ 1,041,028
City's covered-employee payroll	\$ 787,630	\$ 694,849	\$ 662,996	\$ 662,996	\$ 634,065
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	181.72%	201.77%	185.58%	198.73%	164.18%
Plan fiduciary net position as a percentage of the total pension liability	71.20%	74.22%	72.15%	69.30%	74.60%

\* The amounts presented for each fiscal year were determined as of 12/31. Data became available with the inception of GASB 68 during fiscal year 2015, therefore 10 years of data is unavailable.

Schedule of the City's Contributions  
Last Ten Fiscal Years\*

	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</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>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City's covered-employee payroll	\$ 787,630	\$ 694,849	\$ 662,996	\$ 662,996	\$ 634,065
Contributions as a percentage of covered employee payroll	22.13%	20.09%	19.03%	20.42%	21.36%

\* Data became available with the inception of GASB 68 during the fiscal year 2015, therefore 10 years of data is unavailable.

**CITY OF BASEHOR, KANSAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**DECEMBER 31, 2019**

	<b>Special Revenue Funds</b>			
	Special Parks and Recreation	Municipal Equipment Reserve	Special Alcohol and Drug	Total Special Revenue Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 85,031	\$ 24,105	\$ 18,737	\$ 127,873
Total Assets	<u>\$ 85,031</u>	<u>\$ 24,105</u>	<u>\$ 18,737</u>	<u>\$ 127,873</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$	\$	\$	\$
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE:</b>				
Assigned	<u>85,031</u>	<u>24,105</u>	<u>18,737</u>	<u>127,873</u>
Total fund balance	<u>85,031</u>	<u>24,105</u>	<u>18,737</u>	<u>127,873</u>
Total liabilities and fund balances	<u>\$ 85,031</u>	<u>\$ 24,105</u>	<u>\$ 18,737</u>	<u>\$ 127,873</u>

<b>Capital Projects</b>			<b>Total Nonmajor Governmental Funds</b>
Cedar Lakes Maintenance	Glenwood Sewer Maintenance	Total Capital Projects Funds	
\$ 78,157	\$ 93,069	\$ 171,226	\$ 299,099
<u>\$ 78,157</u>	<u>\$ 93,069</u>	<u>\$ 171,226</u>	<u>\$ 299,099</u>
\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
78,157	93,069	171,226	299,099
<u>78,157</u>	<u>93,069</u>	<u>171,226</u>	<u>299,099</u>
<u>\$ 78,157</u>	<u>\$ 93,069</u>	<u>\$ 171,226</u>	<u>\$ 299,099</u>

**CITY OF BASEHOR, KANSAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	<b>Special Revenue Funds</b>			<b>Total Special Revenue Funds</b>
	<b>Special Parks and Recreation</b>	<b>Municipal Equipment Reserve</b>	<b>Special Alcohol and Drug</b>	
<b>REVENUES</b>				
Taxes	\$ 14,355	\$ -	\$ 14,355	\$ 28,710
Licenses, permits and fees	14,000	-	-	14,000
Donations	788	-	-	788
Interest received	805	245	103	1,153
Total revenues	<u>29,948</u>	<u>245</u>	<u>14,458</u>	<u>44,651</u>
<b>EXPENDITURES</b>				
Contractual expenses	11,960	-	-	11,960
Capital outlay	-	114,054	-	114,054
Total expenditures	<u>11,960</u>	<u>114,054</u>	<u>-</u>	<u>126,014</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,988</u>	<u>(113,809)</u>	<u>14,458</u>	<u>(81,363)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	91,200	-	91,200
Total other financing sources (uses)	<u>-</u>	<u>91,200</u>	<u>-</u>	<u>91,200</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other (Uses)	17,988	(22,609)	14,458	9,837
Fund balance at beginning of year	<u>67,044</u>	<u>46,713</u>	<u>4,278</u>	<u>118,035</u>
Fund balance at end of year	<u>\$ 85,032</u>	<u>\$ 24,104</u>	<u>\$ 18,736</u>	<u>\$ 127,872</u>



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<b>Capital Projects</b>			<b>Total Nonmajor Governmental Funds</b>
Cedar Lakes Maintenance	Glenwood Sewer Maintenance	Total Capital Projects Funds	
\$ -	\$ -	\$ -	\$ 28,710
40,000	33,000	73,000	87,000
-	-	-	788
717	849	1,566	2,719
<u>40,717</u>	<u>33,849</u>	<u>74,566</u>	<u>119,217</u>
34,259	17,097	51,356	63,316
-	-	-	114,054
<u>34,259</u>	<u>17,097</u>	<u>51,356</u>	<u>177,370</u>
<u>6,458</u>	<u>16,752</u>	<u>23,210</u>	<u>(58,153)</u>
-	-	-	91,200
<u>-</u>	<u>-</u>	<u>-</u>	<u>91,200</u>
6,458	16,752	23,210	33,047
<u>71,699</u>	<u>76,318</u>	<u>148,017</u>	<u>266,052</u>
<u>\$ 78,157</u>	<u>\$ 93,070</u>	<u>\$ 171,227</u>	<u>\$ 299,099</u>

**CITY OF BASEHOR, KANSAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET  
SPECIAL PARKS AND RECREATION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Taxes	\$ 14,355	\$ -	\$ 14,355	\$ 15,000	\$ 15,000	\$ (645)
Licenses, permits and fees	14,000		14,000	17,000	17,000	(3,000)
Donations	788		788	10	10	778
Use of money and property	805		805	400	400	405
Total Revenues	<u>29,948</u>	<u>-</u>	<u>29,948</u>	<u>32,410</u>	<u>32,410</u>	<u>(2,462)</u>
Expenditures:						
Contractual expenses	11,960		11,960	2,000	2,000	(9,960)
Capital outlay	-		-	-	-	-
Total Expenditures	<u>11,960</u>	<u>-</u>	<u>11,960</u>	<u>2,000</u>	<u>2,000</u>	<u>(9,960)</u>
Excess of Revenues Over Expenditures	17,988	-	17,988	<u>\$ 30,410</u>	<u>\$ 30,410</u>	<u>\$ 7,497</u>
Fund Balance, January 1	<u>67,044</u>	<u>-</u>	<u>67,044</u>			
Fund Balance, December 31	<u>\$ 85,032</u>	<u>\$ -</u>	<u>\$ 85,032</u>			

**CITY OF BASEHOR, KANSAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
MUNICIPAL EQUIPMENT RESERVE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Interest received	\$ 245	\$	\$ 245	-	\$ -	\$ 245
Total Revenues	245	-	245	-	-	245
Expenditures:						
Capital outlay	114,054		114,054	-	-	(114,054)
Total Expenditures	114,054	-	114,054	-	-	(114,054)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(113,809)	-	(113,809)	-	-	114,298
Other Financing Sources						
Transfers In	91,200		91,200	-	-	91,200
Total other financing sources	91,200	-	91,200	-	-	91,200
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other (Uses)	(22,609)	-	(22,609)	\$ -	\$ -	\$ (22,609)
Fund Balance, January 1	46,713	-	46,713			
Fund Balance, December 31	\$ 24,104	\$ -	\$ 24,104			

**CITY OF BASEHOR, KANSAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET  
SPECIAL ALCOHOL AND DRUG FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Taxes	\$ 14,355	\$ -	\$ 14,355	\$ -	\$ -	\$ 14,355
Interest income	103		103	-	-	103
Total Revenues	<u>14,458</u>	<u>-</u>	<u>14,458</u>	<u>-</u>	<u>-</u>	<u>14,458</u>
Expenditures:						
Contractual services	-		-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	14,458	-	14,458	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,458</u>
Fund Balance, January 1	<u>4,278</u>	<u>-</u>	<u>4,278</u>			
Fund Balance, December 31	<u>\$ 18,736</u>	<u>\$ -</u>	<u>\$ 18,736</u>			

**CITY OF BASEHOR, KANSAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET  
CEDAR LAKES MAINTENANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Licenses, permits and fees	\$ 40,000	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Use of money and property	717		717	55	55	662
Total Revenues	<u>40,717</u>	<u>-</u>	<u>40,717</u>	<u>40,055</u>	<u>40,055</u>	<u>662</u>
Expenditures:						
Contractual expenses	<u>34,259</u>		<u>34,259</u>	<u>40,000</u>	<u>40,000</u>	<u>5,741</u>
Total Expenditures	<u>34,259</u>	<u>-</u>	<u>34,259</u>	<u>40,000</u>	<u>40,000</u>	<u>5,741</u>
Excess of Revenues Over Expenditures	6,458	-	6,458	<u>\$ 55</u>	<u>\$ 55</u>	<u>\$ 6,403</u>
Fund Balance, January 1	<u>71,699</u>	<u>-</u>	<u>71,699</u>			
Fund Balance, December 31	<u>\$ 78,157</u>	<u>\$ -</u>	<u>\$ 78,157</u>			

**CITY OF BASEHOR, KANSAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET  
GLENWOOD SEWER MAINTENANCE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Licenses, permits and fees	\$ 33,000	\$ -	\$ 33,000	\$ 33,000	\$ 33,000	\$ -
Interest income	849		849	150	150	699
Total Revenues	<u>33,849</u>	<u>-</u>	<u>33,849</u>	<u>33,150</u>	<u>33,150</u>	<u>699</u>
Expenditures:						
Contractual expenses	<u>17,097</u>		<u>17,097</u>	<u>33,000</u>	<u>33,000</u>	<u>15,903</u>
Total Expenditures	<u>17,097</u>	<u>-</u>	<u>17,097</u>	<u>33,000</u>	<u>33,000</u>	<u>15,903</u>
Excess of Revenues Over Expenditures	16,752	-	16,752	<u>\$ 150</u>	<u>\$ 150</u>	<u>\$ (15,204)</u>
Fund Balance, January 1	<u>76,318</u>	<u>-</u>	<u>76,318</u>			
Fund Balance, December 31	<u>\$ 93,070</u>	<u>\$ -</u>	<u>\$ 93,070</u>			

**CITY OF BASEHOR, KANSAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ACTUAL AND BUDGET  
BOND AND INTEREST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
County and state taxes	\$ 330,867	\$ -	\$ 330,867	\$ 318,900	\$ 318,900	\$ 11,967
Intergovernmental	-		-	-	-	-
Special assessments	588,302		588,302	450,000	450,000	138,302
Use of money and property	18,327		18,327	2,250	2,250	16,077
Miscellaneous			-	-	-	-
Total Revenues	<u>937,496</u>	<u>-</u>	<u>937,496</u>	<u>771,150</u>	<u>771,150</u>	<u>166,346</u>
Expenditures:						
Debt service						
Principal	948,850		948,850	943,160	943,160	(5,690)
Interest	127,178		127,178		-	(127,178)
Total Expenditures	<u>1,076,028</u>	<u>-</u>	<u>1,076,028</u>	<u>943,160</u>	<u>943,160</u>	<u>(132,868)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(138,532)</u>	<u>-</u>	<u>(138,532)</u>	<u>(172,010)</u>	<u>(172,010)</u>	<u>299,214</u>
Other Financing Sources (Uses)						
Transfers in	239,633	-	239,633	-	-	239,633
Total Other Financing Sources (Uses)	<u>239,633</u>	<u>-</u>	<u>239,633</u>	<u>-</u>	<u>-</u>	<u>239,633</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other (Uses)	101,101	-	101,101	<u>\$ (172,010)</u>	<u>\$ (172,010)</u>	<u>\$ 538,847</u>
Fund Balance, January 1	<u>364,797</u>	<u>-</u>	<u>364,797</u>			
Fund Balance, December 31	<u>\$ 465,898</u>	<u>\$ -</u>	<u>\$ 465,898</u>			

**CITY OF BASEHOR, KANSAS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - ACTUAL AND BUDGET  
SEWER UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Charges for services	\$ 1,517,720	\$ 729	\$ 1,518,449	\$ 1,451,567	\$ 1,451,567	\$ 66,882
Total Revenues	<u>1,517,720</u>	<u>729</u>	<u>1,518,449</u>	<u>1,451,567</u>	<u>1,451,567</u>	<u>66,882</u>
Expenditures:						
Personnel services	345,699	(22,401)	323,297	2,387,618	2,387,618	2,064,321
Contractual services	281,464		281,464	-	-	(281,464)
Commodities	35,522		35,522	-	-	(35,522)
Capital outlay	193,166	20,659	213,825	-	-	(213,825)
Depreciation	612,869	(612,869)	-	-	-	-
Total Expenditures	<u>1,468,720</u>	<u>(614,611)</u>	<u>854,108</u>	<u>2,387,618</u>	<u>2,387,618</u>	<u>1,533,510</u>
Operating income (loss)	<u>49,000</u>	<u>615,340</u>	<u>664,341</u>	<u>(936,051)</u>	<u>(936,051)</u>	<u>(1,466,628)</u>
Other Financing Sources (Uses)						
Interest expense	(100,344)	3,046	(97,298)	-	-	97,298
Debt principal	-	(744,804)	(744,804)			744,804
Connection fees	241,500		241,500	295,000	295,000	53,500
Special assessments	77,596		77,596	76,800	76,800	(796)
Interest income	31,520		31,520	5,000	5,000	(26,520)
Miscellaneous income	32,846		32,846	40,000	40,000	7,154
Transfers (out)	(234,170)		(234,170)		-	234,170
Total Other Financing Sources (Uses)	<u>48,948</u>	<u>(741,758)</u>	<u>(692,810)</u>	<u>416,800</u>	<u>416,800</u>	<u>1,109,610</u>
Change in net position	97,948	(126,418)	(28,469)	<u>\$ (519,251)</u>	<u>\$ (519,251)</u>	<u>\$ (357,018)</u>
Net position, January 1	<u>9,535,844</u>	<u>(7,551,694)</u>	<u>1,984,150</u>			
Net position, December 31	<u>\$ 9,633,792</u>	<u>\$ (7,678,112)</u>	<u>\$ 1,955,681</u>			



CITY OF BASEHOR, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - ACTUAL AND BUDGET  
SOLID WASTE UTILITY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive (Negative)
				Original	Final	
Revenues:						
Charges for services	\$ 414,303	\$ (595)	\$ 413,708	\$ 399,000	\$ 399,000	\$ 14,708
Total Revenues	<u>414,303</u>	<u>(595)</u>	<u>413,708</u>	<u>399,000</u>	<u>399,000</u>	<u>14,708</u>
Expenditures:						
Personnel services	50,720	16,480	67,199	419,800	419,800	352,601
Contractual services	359,245		359,245	-	-	(359,245)
Commodities	2,797		2,797	-	-	(2,797)
Total Expenditures	<u>412,762</u>	<u>16,480</u>	<u>429,242</u>	<u>419,800</u>	<u>419,800</u>	<u>(9,442)</u>
Operating income (loss)	<u>1,541</u>	<u>(17,075)</u>	<u>(15,533)</u>	<u>(20,800)</u>	<u>(20,800)</u>	<u>24,150</u>
Other Financing Sources (Uses)						
Interest income	913		913	500	500	(413)
Miscellaneous income	9,409		9,409	8,000	8,000	(1,409)
Transfers (out)	-		-	-	-	-
Total Other Financing Sources (Uses)	<u>10,322</u>	<u>-</u>	<u>10,322</u>	<u>8,500</u>	<u>8,500</u>	<u>(1,822)</u>
Change in net position	11,863	(17,075)	(5,212)	<u>\$ (12,300)</u>	<u>\$ (12,300)</u>	<u>\$ 22,327</u>
Net position, January 1	<u>74,189</u>	<u>(17,529)</u>	<u>56,660</u>			
Net position, December 31	<u>\$ 86,052</u>	<u>\$ (34,604)</u>	<u>\$ 51,448</u>			