

ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Leavenworth, Kansas
For the Year Ended December 31, 2024

City of Leavenworth, Kansas

Annual Comprehensive Financial Report

Year Ended
December 31, 2024

Prepared by:
Roberta Beier
Director of Finance

City of Leavenworth, Kansas

Annual Comprehensive Financial Report

Year Ended December 31, 2024

Table of Contents

Introductory Section

Letter of Transmittal i
List of Elected and Appointed Officials vii
Organizational Chart viii
GFOA Certificate of Achievement ix

Financial Section

Independent Auditor's Report 1

Management's Discussion and Analysis 4

Basic Financial Statements

Government-Wide Financial Statements:
Statement of Net Position 17
Statement of Activities 18
Fund Financial Statements:
Balance Sheet - Governmental Funds 19
Reconciliation of the the Balance Sheet – Governmental Funds to the Statement of Net Position Statement of Activities 20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds 21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 22
Statement of Net Position - Proprietary Funds 23
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds 24
Statement of Cash Flows - Proprietary Funds 25
Statement of Fiduciary Net Position - Fiduciary Funds 26
Statement of Changes in Fiduciary Net Position - Fiduciary Funds 27
Notes to the Basic Financial Statements 28

City of Leavenworth, Kansas

Annual Comprehensive Financial Report

Year Ended December 31, 2024

Table of Contents
(Continued)

Required Supplementary Information
- Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund 66
- Schedule of the City's Proportionate Share of the Collective Net Pension Liability - Kansas Public Employees Retirement System 67
- Schedule of City's Contributions – Kansas Public Employees Retirement System 68
- Schedule of the Library's Proportionate Share of the Collective Net Pension Liability - Kansas Public Employees Retirement System 69
- Schedule of Library's Contributions - Kansas Public Employees Retirement System 70
- Schedule of Changes in the Net Pension Liability and Related Ratios - Police and Fire Pension Plan 71
- Schedule of City Contributions - Police and Fire Pension Plan 72
- Schedule of Investment Returns - Police and Fire Pension Plan 73
- Schedule of Changes in the City's Total OPEB Liability and Related Ratios 74
- Schedule of Changes in the City's Total KPERS OPEB Liability and Related Ratios 75

Supplementary Information

Combining and Individual Fund Statements and Schedules
- Combining Balance Sheet – Nonmajor Governmental Funds 76-77
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 78-79

Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:
- Debt Service Fund 80
- Convention & Visitors Bureau Fund 81
- Probation Fund 82
- Streets Fund 83
- Recreation Fund 84
- Economic Development Fund 85
- Business & Technology Park Fund 86
- CIP Sales Tax Fund 87
- Countywide Sales Tax Fund 88
- Tax Increment - Auto Incentive Fund 89
- Tax Increment - Hotels Fund 90
- Tax Increment - Retail Fund 91

City of Leavenworth, Kansas

Annual Comprehensive Financial Report

Year Ended December 31, 2024

Table of Contents
(Continued)

Statistical Section (Unaudited)

Net Position by Component 92
Changes in Net Position 93-94
Fund Balances of Governmental Funds 95
Changes in Fund Balances of Governmental Funds 96
Tax Revenues of Governmental Funds by Source 97
Assessed Value and Estimated Actual Value of Taxable Property 98
Property Tax Rates Direct and Overlapping Governments 99
Principal Property Taxpayers 100
Property Tax Levies and Collections 101
Ratios of Outstanding Debt by Type 102
Ratios of General Bonded Debt Outstanding 103
Direct and Overlapping Governmental Activities Debt 104
Legal Debt Margin Information 105
Demographic and Economic Statistics 106
Principal Employers 107
Full-Time Equivalent City Government Employees by Function 108
Operating Indicators by Function 109
Capital Asset Statistics by Function 110

Introductory Section

June 25, 2025

To the City Commission and the
Citizens of the City of Leavenworth:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Leavenworth, Kansas (the City) for the year ended December 31, 2024. Kansas statutes require the City to issue an annual report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The ACFR is prepared in accordance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted (GAAP) in the United States of America and audited in accordance with auditing standards generally accepted (GAAS) in the United States of America.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Hood and Associates CPAs, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended December 31, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the City's internal controls, and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the Single Audit report that is provided in conjunction with this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Leavenworth, Kansas was established in 1854 and incorporated by the first Kansas territorial legislature in 1855. The City is a legally constituted city of the First Class and the county seat of Leavenworth County. It sits on the west bank of the Missouri River approximately 28 miles northwest of Kansas City, Missouri and 45 miles northeast of Topeka, Kansas. The City has a population of 37,176 and covers an area of approximately 23.5 square miles.

The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City has operated under the commission–manager form of government since 1969. Policymaking and legislative authority are vested in the City Commission, which consists of five Commissioners. The City Commission is responsible for passing ordinances, adopting the annual budget and capital improvements program, appointing committees, and hiring the City Manager. City Commissioners are elected at large and on a non–partisan basis. Every two years, three Commissioners are elected; the two Commissioners with the highest vote totals receive four-year terms while the Commissioner with the third highest vote total receives a two-year term. The Commissioner with the highest vote total will become Mayor in the following year. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, overseeing the day–to–day operations of the City, and appointing the heads of the City's departments.

The City's financial reporting entity includes all funds of the primary government (the City of Leavenworth) and its component unit—the Public Library. A component unit is a legally separate entity for which the primary government is financially accountable. Additional information on this legally separate entity can be found in Note 1.A in the notes to the financial statements.

The City provides a full range of services, including:

- Public safety: police and fire protection, animal control, and parking enforcement.
- Public works: sewer, refuse, stormwater management, building inspection, airport, and the construction and maintenance of streets, bridges and other infrastructure.

- Housing and urban redevelopment: planning and zoning, code enforcement, rental coordinator, and a range of housing and community development programs supported by federal grants.
- Community and economic development: business recruitment, retention, and expansion incentives; innovations for entrepreneurs and veterans; and local transportation enhancements
- Culture and recreation: parks, recreation, community center, and performing arts.
- General governmental and administrative services.

The annual budget serves as the foundation for the City's financial planning and control. Applicable Kansas statutes require that annual budgets be legally published and adopted for all funds (including proprietary funds) unless exempted by a specific statute. Statutory exemptions currently exist for all capital project funds, fiduciary funds, certain special revenue funds, and certain proprietary funds. Applicable Kansas statutes require the use of an encumbrance system as a management control technique to assist in controlling expenditures.

The statutes provide for the following sequence and timetable in adoption of budgets that intend to exceed the Revenue Neutral Rate (RNR):

a) Preparation of the budget for the succeeding calendar year on or before July 20 of each year.
b) Notify the County Clerk of intent to exceed the RNR on or before July 20 of year.
c) A minimum of 10 days' notice of public hearing, published in the local newspaper and on the City's website, for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax.
d) Hold RNR hearing prior to or in conjunction with the budget hearing between August 20 and September 20 of each year.
e) Hold budget hearing between August 20 and September 20 of each year.
f) Governing body holds recorded roll call vote on the resolution to exceed the RNR between August 20 and October 1 of each year.
g) Governing body formally adopts the final budget between August 20 and October 1 of each year.
h) Governing body certifies budget to County Clerk between August 30 and October 1 of each year.

Budgets are prepared by fund, department, and activity. City management may make transfers of appropriations at the department and activity level of a fund without seeking the approval of the governing body; however, management cannot amend the total budget of a fund without approval of the governing body. The legal level of budgetary control is the fund level and is the level at which the governing body must approve any over expenditures of appropriations or transfers of appropriated amounts. Kansas statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Such statutes permit original fund expenditure budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of public hearing to amend the expenditure budget of a fund. Ten or more days after publication, a public hearing is held and the City Commission may amend the expenditure budget of the fund at that time.

Factors Affecting Financial Condition

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

Local economy

The City of Leavenworth is known nationally as the home of the Federal Correctional Institution, formally called the Leavenworth Federal Penitentiary. Several other federal institutions, including Fort Leavenworth, the Command and General Staff College of the U.S. Army, and the U.S. Disciplinary Barracks make the City an important site for governmental and military purposes. These federal institutions provide employment for 2,465 civilians. The Veterans Administration—which operates a full-service medical center and employs approximately 700 civilians—is another federal agency that has a significant presence in the City.

The City's General Fund saw a decrease in revenue in 2024, including a 1.3% ($220,590) decrease in sales tax collections. Toward the end of 2023 the City began to experience a decrease in sales tax receipts as consumers, businesses, and local governments stopped receiving pandemic related financial assistance. This trend continued throughout 2024. In addition to the decrease in sales tax collections, the General Fund transferred $525,362 to the Grant Matching Capital Projects Fund. The City received several federal and state grants for street improvement projects. These projects required the City to pay for a portion of each project. The General Fund also transferred $1,419,250 to the Capital Projects Fund to cover the cost of a purchase order placed in 2024 for a fire apparatus. The reduction in 2024 revenue and the transfers out of the General Fund to the Capital Project Funds caused a decrease in the General Fund reserve position of $1,171,332.

The City has received a total of $8,549,063 in ARPA funds, with the first half received in 2021 and the second half received in 2022. As of December 31, 2024, $7,452,733 of the ARPA funds had been expended. Of the remaining $1,096,330, $263,851 was transferred to and encumbered in the Sewer Fund for the construction of a new administration building for the Wastewater Treatment Plan. The remaining $832,479 was encumbered in the ARPA Fund for a fire apparatus (pumper truck). The pumper truck is scheduled to be delivered in late 2025 or early 2026. As of December 31, 2024, all APRA funds were either expended or encumbered.

The City's economy remains relatively stable. In 2020, 2021, and 2022, sales tax revenues were higher than anticipated due to federal stimulus policies related to the Covid 19 pandemic. In 2023 and 2024, the City's sales tax collections decreased from the pandemic related highs, but the City's reserve position was strong enough to allow the City to decrease its portion of the mill levy from 25.654 mills for the 2023 budget to 22.533 mills for the 2024 budget. The City was able to further reduce its mill levy to 22.499 for the 2025 budget. Over recent years, the City's population has remained stable and the property tax base continues to experience moderate but steady growth. The City's median family income and housing values remain above those of the state as a whole. This economic stability is primarily due to the presence of the federal institutions mentioned earlier and several large private sector firms including Walmart, St. John Hospital, Cereal Ingredients, and Hallmark.

Long-term financial planning

The City Commission recently approved a five-year capital improvements program (2025–2029) that contains approximately $46.5 million in identified projects. The following table identifies the spending requirements by category:

Streets and bridges	$17,926,832
Sidewalks and curbs	1,443,749
Sewer and stormwater	10,855,218
Equipment	14,097,483
Buildings	1,587,486
Parks	589,232

To the extent possible, these projects are funded on a pay-as-you-go basis with City and Countywide sales tax proceeds or other operating sources. In fact, $41,411,754 of identified projects are projected to be funded in this manner. Approximately $2,100,000 of these projects will be funded with Federal, Kansas Department of Transportation (KDOT), or other grants. Finally, the 2025-2029 plan includes the replacement of 4 fire apparatus, 3 of which may be funded with long-term debt in the form of a G.O. Bonds.

Budgetary Initiatives

The 2025 budget was crafted in the midst of a continuing upward trend in assessed property values and a decline in sales tax collections while, at the same time, the economy was facing another year of inflation, price increases, and wage pressures.

On the revenue side, assessed valuations increased from $303,997,319 to $315,777,776. The City reduced its total mill levy by 0.034 mills and the library's pass-thru mill levy was increased by the same amount. Combined, the mill levy remained flat which caused ad valorem property tax to increase by a total of $317,625. The City's portion of ad valorem tax increased by $254,713 and the library's pass-through ad valorem tax increased by $62,912. Sales tax revenues were estimated to decrease approximately 2.9% from 2024 budgeted sales tax revenues.

The 2025 budget included several initiatives:

a) First, the 2025 budget provides for the third year of a pay-as-you-go pavement management program. This program has broken the cycle of borrowing money – with the interest and issuance costs that entails – for this annual program. Over time, this effort will result in more funding going toward road improvements and maintenance and less funding going to the servicing of debt.
b) Second, the 2025 budget invests in information technology. In 2023 and 2024, several Kansas City Metro Area and Kansas Municipalities were targets of cyber-attacks that crippled or shut down municipal functions for extended periods of time, making it clear that all municipalities in the region need to make IT security a top issue. In previous years, the City invested in IT infrastructure that provides efficiency of operations and a high level of service to City residents. Beginning in 2024, the City shifted its Information Technology investments to cyber-security. This investment continues with the 2025 budget.
c) Third, the 2025 budget invests in salary increases consistent with the Consumer Price Index (CPI). The 2025 Operating Budget includes 3.5% pay increases for all employees, which slightly exceeds the average CPI for 2023 and 2024 combined of 3.25%.
d) Finally, the 2025 budget maintains a reserve position of approximately 21.1%.

Awards and Acknowledgements

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leavenworth for its annual comprehensive financial report in the fiscal year ended December 31, 2023. This was the 30th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Our appreciation is extended to the Mayor and City Commission for their unfailing support for maintaining the highest standard of professionalism in the management of the City's finances.
We would also like to acknowledge the staff of the Finance Department and City Clerk's Office for their assistance during the preparation of this report. Finally, we would like to recognize the accounting firm of Hood and Associates, CPAs, P.A. for their assistance in the preparation of this report.

Scott Peterson

Scott Peterson
City Manager

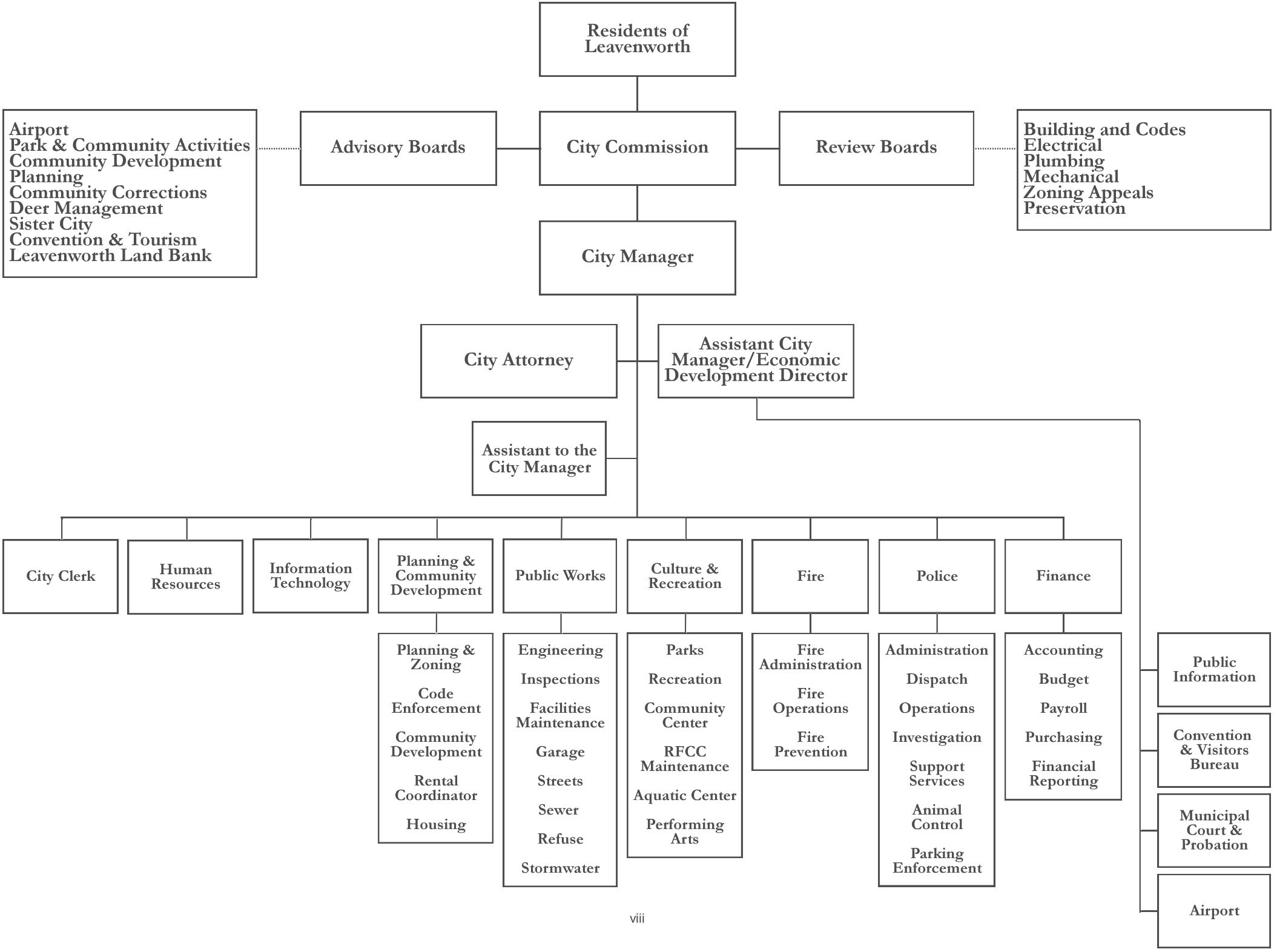
City of Leavenworth, Kansas

List of Elected and Appointed Officials

December 31, 2024

Elected Officials	Position	Term Expires
Holly Pittmen	Mayor	2025
Nancy Bauder	Mayor Pro Tem	2027
Griff Martin	Commissioner	2027
Ed Hingula	Commissioner	2025
Jermaine Wilson	Commissioner	2025

Appointed Officials	Position	Length of Service with City
Scott Peterson	City Manager	1 year
David Waters	City Attorney	7 years
Penny Holler	Assistant City Manager	4 years
Melissa Bower	Public Information Officer	12 years
Lona Lanter	Human Resources Director	21 years
Sarah Bodensteiner	City Clerk	3 years
Roberta Beier	Finance Director	4 years
Steve Grant	Director of Parks & Community Activities	23 years
Brian Faust	Director of Public Works	4 years
Pat Kitchens	Police Chief	34 years
Gary Birch	Fire Chief	11 years
Kim Portillo	Director of Community Development	1 year


Residents of Leavenworth
Airport
Park & Community Activities
Community Development
Planning
Community Corrections
Deer Management
Sister City
Convention & Tourism
Leavenworth Land Bank
Advisory Boards
City Commission
Review Boards
Building and Codes
Electrical
Plumbing
Mechanical
Zoning Appeals
Preservation
City Manager
City Attorney
Assistant City Manager/Economic Development Director
Assistant to the City Manager
City Clerk
Human Resources
Information Technology
Planning & Community Development
Public Works
Culture & Recreation
Fire
Police
Finance
Planning & Zoning
Code Enforcement
Community Development
Rental Coordinator
Housing
Engineering
Inspections
Facilities Maintenance
Garage
Streets
Sewer
Refuse
Stormwater
Parks
Recreation
Community Center
RFCC Maintenance
Aquatic Center
Performing Arts
Fire Administration
Fire Operations
Fire Prevention
Administration
Dispatch
Operations
Investigation
Support Services
Animal Control
Parking Enforcement
Accounting
Budget
Payroll
Purchasing
Financial Reporting
Public Information
Convention & Visitors Bureau
Municipal Court & Probation
Airport

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Leavenworth
Kansas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morrill

Executive Director/CEO

Financial Section

HOOD AND ASSOCIATES CPAs, PC

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the City Commission
City of Leavenworth, Kansas

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Leavenworth Kansas (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Leavenworth Public Library, a discretely presented component unit, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of discretely presented component unit were not audited in accordance with *Government Auditing Standards.*

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Kansas Municipal Audit and Accounting Guide, and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents 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.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hood and Associates CPAs PC

Kansas City, Missouri
June 25, 2025

Management's Discussion and Analysis

As management of the City of Leavenworth, Kansas, (the City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements, and accompanying notes to the financial statements.

Financial Highlights

- The City's bond rating in 2024 was Aa2.

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $58,924,080 *(net position*), which is a total net position increase of $1,167,725 or 2.0%. As of the close of the fiscal year, the City has an unrestricted net position deficit of ($3,873,435).

- In 2024, the City issued general obligation bonds in the amount of $4,885,000 for the construction of a new fire station to replace Fire Station #3. In 2022, the City recognized three temporary notes for a total amount of $800,000 for the purpose of building parks projects. In 2024, the City redeemed the second of these notes in the amount of $270,000. One temporary note in the amount of $275,000 was outstanding as of December 31, 2024, which will be redeemed in 2025. In 2024, the City retired $3,255,000 in general obligation bonds. This activity resulted in a $1,630,000 increase in total bonded debt and a $270,000 decrease in temporary notes payable.

- As of December 31, 2024, the City's governmental funds reported combined ending fund balances of $30,011,856, a decrease of $1,384,961 from the prior year.

- At the end of the current fiscal year, the fund balance of the General Fund was $10,843,087, or 48.3% percent of total General Fund expenditures. The Reserve Policy adopted by the City Commission requires two months of expenditures (16.67%) as fund balance.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenue 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 revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, culture and recreation, housing and urban redevelopment, and community and economic development. The business-type activities of the City include a Sewer Fund, a Storm Water Fund, and a Refuse Fund.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Public Library for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

Complete financial statements for the Leavenworth Public Library are available from their offices at 417 Spruce Street, Leavenworth, Kansas 66048.

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 three categories: governmental funds, proprietary funds, and fiduciary 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 governmental funds is narrower than that of 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, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and Capital Projects Funds, which are considered to be major funds. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual funds data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for the General and Debt Service Funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with these budgets.

The only type of **proprietary fund** the City maintains is the enterprise fund type. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sewer, Storm Water, and Refuse operations.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer, Storm Water, and Refuse Funds. The Sewer and Storm Water Funds are considered to be major funds of the City.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

In addition to the basic financial statements and accompanying notes, this report also presents certain ***required supplementary information*** concerning the City's progress in funding its obligations to provide pension and postemployment benefits to certain of its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources by $58,924,080 at the close of the current fiscal year.

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. As of December 31, 2024, the City's net investment in capital assets is $52,158,304. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position, $10,639,213, represents resources that are subject to external restrictions on how they may be used.

The City's change in net position related to 2024 activities increased $1,167,725 from the prior year. The reasons for this change are discussed in the following sections for governmental activities and business-type activities.

City of Leavenworth's Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023**	2024	2023	2024	2023
Current and other assets	$ 40,494,044	$ 43,225,949	$ 12,429,581	$ 9,654,731	$ 52,923,625	$ 52,880,680
Capital assets	60,756,092	55,491,568	16,133,184	17,221,471	76,889,276	72,713,039
Total assets	101,250,136	98,717,517	28,562,765	26,876,202	129,812,901	125,593,719
Total deferred outflows of resources	7,022,996	7,301,079	693,692	479,876	7,716,688	7,780,955
Long-term debt	57,947,957	53,098,311	6,587,508	6,450,579	64,535,465	59,548,890
Other liabilities	3,408,143	5,100,488	262,754	295,824	3,670,897	5,396,312
Total liabilities	61,356,100	58,198,799	6,850,262	6,746,403	68,206,362	64,945,202
Total deferred inflows of resources	10,028,836	10,267,040	370,310	406,078	10,399,146	10,673,118
Net position:						
Net investment in capital assets	39,755,439	37,969,172	12,402,865	12,951,471	52,158,304	50,920,643
Restricted	10,639,213	12,415,252	-	-	10,639,213	12,415,252
Unrestricted	(13,506,457)	(12,831,666)	9,633,020	7,252,126	(3,873,437)	(5,579,540)
Total net position	$ 36,888,195	$ 37,552,758	$ 22,035,885	$ 20,203,597	$ 58,924,080	$ 57,756,355

** As restated

Governmental activities

The 2024 governmental activities decreased the City's net position $664,563. Key elements of the decrease in the current year are as follows:

- Total revenues decreased by $1,638,096 in 2024.
  - Total grants and contributions decreased by $990,733 primarily because the City recognized ARPA grant revenue of $1,966,306 in 2024 compared to $4,385,902 in 2023. This is a $2,419,596 (55.2%) decrease. The City received ARPA funds totaling $8,549,063 in 2021 and 2022. ARPA funds that are not expended by the end of a fiscal year are recorded as deferred revenue. As of December 31, 2023, the deferred revenue in the ARPA fund was $2,798,785. The City expended $1,966,306 of those funds in 2024; therefore, as of December 31, 2024, the deferred revenue in the ARPA fund is $832,479. A purchase order for that amount was issued in 2023 for a fire apparatus (pumper truck); therefore, all ARPA funds were either spent or encumbered as of December 31, 2024. The City expects to receive delivery of the fire apparatus in 2025 or early 2026.
    - The decrease in ARPA grant revenue described in the preceding paragraph was offset somewhat by a $1,374,941 increase in other federal and state grants. The Police Department received a $282,000 federal grant for a bomb robot, Public Works grants increased by $671,043 for various streets projects, and the Housing Funds grant revenue increased by $334,751 due to CFP grants being used to fund the replacement of the chiller for the Planters II apartment building.
  - Total taxes decreased by $318,307. This decrease was a result of the following activity:
    - Property taxes decreased by $127,247. This was due to a 3.544 mill decrease in the mill levy. This caused property taxes to decrease in spite of a 11.8% increase in assessed values. The City Commission approved the decrease in property tax so the City's 2024 total budget (including the Library) would be revenue neutral.
    - Sales taxes decreased by $220,590 (-1.26%). The decrease is attributable to a decrease in consumer spending.
    - Franchise taxes decreased by $135,761 (-4.46%). Franchise taxes are based on utility usage and are variable from year to year, depending on the weather.
    - Motor vehicle taxes were relatively flat (increase of $28,034) and transient guest tax increased by $137,257 (19.5%) due to an increase in hotel occupancy rates.
  - The City's reserves and idle funds are invested in short term investments including an overnight investment pool, treasury bonds, treasure notes, and certificates of deposit. Due to higher interest rates and an increase in reserves, investment income increased by $150,635 (9.2%).

- Total expenses in the Governmental Funds increased by $2,368,852 (5.5%).
  - Personnel expenses (salaries, taxes, and benefits) increased $1,798,750 (9.4%) On January 1, 2024, the City implemented pay increases for all employees that ranged from 5% - 15%. The pay increases were applied on a sliding scale, with the positions with lowest pay scales receiving the highest pay increases. The City Commission approved the pay increases because the City's pay scales were below market-rate which was a contributing factor to high turnover and vacancy rates.
  - In 2021 the City entered into a Master Lease Agreement with Enterprise Fleet Management (Enterprise). The arrangement included replacing City owned passenger vehicles and pickup trucks with leased vehicles in order to take advantage of Enterprise's ability to buy vehicles directly from manufactures at a discounted price and to sell them at a premium. At the onset of the program, all leases were short term (12 months) with the intention of selling the vehicles after a year to take advantage of the capital gains Enterprise would incur from "buying low and selling high." Because of the supply-chain issues caused by the Covid 19 pandemic, the City only received a few vehicles in 2022. In 2023, several of the leases converted to 60-month leases and by the end of 2024, the City was leasing 56 vehicles from Enterprise, most of which had 60-month leases. Therefore, in 2024 the City recognized the vehicles as capital assets and the future lease payments as a liability, as required by GASB 87. The Citywide financial statements include a prior period adjustment which decreased the beginning net position by $22,030.

- General government expenses decreased by $482,261 (-8.4%) primarily due to the following items:
  - General government personnel expenses decreased by approximately $29,000 due to position vacancies and a reduction in accrued compensated absences. Grants for the Small Business Grant Program and the Attainable Housing Program decreased by $141,000 due to a reduction of grant requests. General Government lease expense (for the Enterprise Fleet Lease program mentioned above) decreased by $298,100 because in 2024 the expenses were reclassified to public safety, public works, culture and recreation, and community development.
- Public safety expenses increased by $1,819,790 (11.2%)
  - Personnel expenses increased by $1,055,740 (8%) due to wage increases, a 13% increase in health insurance expense, and an 8% increase in pension expense (KPF & KPERS).
  - In 2023, the City implemented a license plate monitoring system. The final camera was not in place until 2024, therefore; the City paid the 2023 lease amount of $54,000 and the 2024 lease amount of $48,000, totaling $104,000, in 2024.
  - IT Backup fees increased by $49,000 (56%). The amount of data being stored is increasing due to video created by body worn and in-car camera systems.
  - The City received several new patrol vehicles through the Enterprise lease program in 2024. The cost of equipping those vehicles with lights, computers, cameras, cages, etc., was $252,000.
  - Vehicle lease expense increased by $227,000 due to the reclass from general government expenses mentioned above and the delivery of several new vehicles.
- Public works expenses increased by $206,265 (2.5%). This increase was caused by a $30,132 increase in contract snow removal due to severe weather, a $75,760 increase in vehicle lease expense, and a $196,000 increase in other professional services. Other professional services increased because the City was awarded a federal Safe Streets for All grant and engineers were hired to design the program.
- Culture and recreation expenditures increased by $474,302 (12.6%). Personnel expenses increased by $334,202 (20.1%). This is a combination of a salary increase of $255,708; health insurance increase of $25,417; an increase in KPERS of $14,995; and vacation and sick leave payouts of $18,672. In addition, there was a $32,071 (38.9%) increase in property, liability, and flood insurance; a $58,047 increase in vehicle lease expenses; and a $121,000 increase in project expenses for improvements to the Riverfront Community Center building, Cody Park, and the trail system.
- Housing & urban development expenses increased by $216,921 (5.9%) due to a $90,138 (41.69%) increase in Community Block Grants, a $69,317 (13.54%) increase in personnel expenses, a $28,577 (5.5%) increase in Planters II program expenses, and a $86,204 increase in Voucher Choice (Section 8) program expenses. These increases are offset by a $29,123 decrease in depreciation expense.

- Total transfers from Governmental Activities to Business Activities was $1,202,476 in 2024. The transfer was from the ARPA Funds to the Sewer Fund to cover capital project and operating expenses.

Business-type activities

The 2024 Business-type activities increased the City's net position $1,832,288 (9.07%). Key elements of this increase are as follows:

- Total revenue increased by $83,967 (0.93%). This is a combination of a $439,106 (5.06%) increase in fees for service and a $342,336 decrease in capital grants and contributions. In 2024, the increase in fees for service was due to a 3% increase in sewer rates and an increase in the amounts billed to Ft. Leavenworth, the VA, and the US penitentiary. In 2023, capital assets were purchased in the ARPA Fund for the Sewer Fund, which resulted in $342,336 in capital grants and contributions in the Sewer Fund in 2023. There were no similar transactions in 2024.

- Expenses for business-type activities increased by $1,456,240 (20.7%) as follows:
    - Refuse Fund expenses increased by $603,337 (31.3%)
        - The majority of the increase is due to a $406,835 (59%) increase in personnel expenses. $178,762 (43.94%) of that amount is due to an increase in pension and other post-employment (OPEB) expenses. Salaries (including overtime) increased by $174,263 (38.61%). This increase was caused by wage increases and a decrease in position vacancies. The Refuse Department also experienced a $37,895 (26.4%) increase in health insurance expense.
        - In addition to the increase in personnel expenses, the Refuse Fund had a $50,554 (100%) increase in vehicle lease expense, $57,160 (3.43%) increase in professional services due to paying a contract trash service to assist with household waste collection, and a $72,015 (59.79%) increase in vehicle maintenance and repair.
    - Sewer Fund expenses increased by $889,676 (19.4%).
        - This is primarily attributable to a $471,142 (27.3%) increase in personnel expenses. This increase is a combination of a $203,143 (26.9%) increase in salaries due to wage increase and a reduction in position vacancies, an $84,757 (40.4%) increase in health insurance expense, a $27,583 (38.91%) increase in KPERS expense, and a $128,658 (88.20%) increase in pension and OPEB expenses.
        - In addition to the increase in personnel expenses, the Sewer Fund saw a $141,321 (100%) increase in planning & design because the City hired engineers to design an updated Sewer Inflow & Infiltration (I&I) plan. There was also a $206,230 (58%) increase in building and equipment maintenance, repair, and replacement. The sewer plant is getting older, therefore; maintenance expenses are increasing.
    - Storm Water Capital Projects Fund expenses decreased by $36,773 (6.7%) due to a $25,820 decrease in professional services and a $15,389 (4.01%) decrease in depreciation expense.

City of Leavenworth's Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2024	2023**	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	$ 3,864,370	$ 4,246,504	$ 9,123,348	$ 8,684,242	$ 12,987,718	$ 12,930,746
Operating grants and contributions	6,189,286	5,815,699	-	7,500	6,189,286	5,823,199
Capital grants and contributions	2,119,836	3,484,156	-	342,336	2,119,836	3,826,492
General revenues:						
Property taxes	6,657,320	6,773,790	-	-	6,657,320	6,773,790
Sales taxes	16,562,293	16,645,747	-	-	16,562,293	16,645,747
Other taxes	6,042,998	6,161,381	-	-	6,042,998	6,161,381
Miscellaneous	376,474	332,270	11,804	17,107	388,278	349,377
Gain on sale of capital assets	270,235	422,346	-	-	270,235	422,346
Unrestricted investment earnings	1,893,832	1,732,847	-	-	1,893,832	1,732,847
	43,976,644	45,614,740	9,135,152	9,051,185	53,111,796	54,665,925
Expenses:						
General government	5,255,888	5,738,149	-	-	5,255,888	5,738,149
Public safety	18,110,074	16,290,284	-	-	18,110,074	16,290,284
Public w orks	8,590,032	8,383,767	-	-	8,590,032	8,383,767
Culture and recreation	4,237,315	3,763,013	-	-	4,237,315	3,763,013
Housing and urban redevelopment	3,893,684	3,676,763	-	-	3,893,684	3,676,763
Community and economic	2,368,558	2,442,071	-	-	2,368,558	2,442,071
Unallocated depreciation expense	169,084	172,798	-	-	169,084	172,798
Interest on long term debt	814,096	603,034	-	-	814,096	603,034
Solid w aste disposal	-	-	2,531,874	1,928,537	2,531,874	1,928,537
Sew er utility	-	-	5,464,981	4,575,305	5,464,981	4,575,305
Storm w ater	-	-	508,485	545,258	508,485	545,258
Total expenses	43,438,731	41,069,879	8,505,340	7,049,100	51,944,071	48,118,979
Change in net position before transfers	537,913	4,544,861	629,812	2,002,085	1,167,725	6,546,946
Transfers	(1,202,476)	(1,451,424)	1,202,476	1,451,424	-	-
Change in net position	(664,563)	3,093,437	1,832,288	3,453,509	1,167,725	6,546,946
Net position, beginning	37,552,758	34,459,321	20,203,597	16,750,088	57,756,355	51,209,409
Net position, ending	$ 36,888,195	$ 37,552,758	$ 22,035,885	$ 20,203,597	$ 58,924,080	$ 57,756,355

** As restated

Financial Analysis of the Government'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.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $30,011,856, a decrease of $1,385,961 from the prior year. Of this amount $10,843,087 constitutes *unassigned fund balance,* which is available for spending at the City's discretion. The remainder of the fund balance is either *restricted*, *committed*, or *assigned.* The amount restricted for particular purposes totaled $10,639,213 and the amount assigned for particular purposes totaled $8,529,556. The decrease in unassigned fund balance is largely attributed to a $1,202,476 transfer from the ARPA Fund to the Sewer Fund as mentioned earlier in this discussion.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was $10,843,087. Of this amount, $10,843,087 is unassigned fund balance, which is available for spending at the City's discretion.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. As of December 31, 2024, unassigned fund balance and total fund balance are the same, and they represent 48.3 percent of total General Fund expenditures.

The fund balance of the City's General Fund decreased $1,171,332 during the current fiscal year. Total revenue increased by $156,876 (0.7%) over 2023. This is a combination of increases in intergovernmental revenue, charges for services, and investment earnings offset by decreases in tax revenue, licenses and permits, fines and forfeitures, and miscellaneous income. Total expenses increased by $1,676,297 for reasons that are highlighted in the analysis of governmental activities.

The Debt Service Fund had a restricted fund balance of $168,784 at the end of the current year, which is $121,295 lower than the prior year. Tax revenue decreased $41,185 in the Debt Service Fund due to a decrease in the mill levy. In 2024, the City retired $2,890,000 in outstanding General Obligation Bond principal. Interest and fiscal charges of $520,449 were $82,313 lower than in 2023.

At the end of the year, the fund balance of the Capital Projects Fund was $8,529,556, an increase of $1,562,410 from the prior year. Revenues included $7,783,321 in transfers from the Sales Tax Funds, $5,132,471 in bond proceeds (includes a bond premium of $247,471) for the replacement of Fire Station #3, and $1,052,874 in lease issuance revenue for the governmental vehicles leased from Enterprise. Total expenditures were $13,150,296. Several large projects were completed or started in 2024 including $3,648,091 for the improvement of 4th Street between Choctaw and Seneca; $560,156 to replace obsolete computer network equipment; $2,116,442 for street mill & overlay projects; and $1,079,077 in park improvement projects.

Proprietary funds

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

The unrestricted net position of the Sewer Fund at the end of the year was $6,786,225, and the Storm Water Fund and Refuse Funds unrestricted net positions were $2,198,830 and $647,965, respectively. In comparison with the prior year, the unrestricted net position for the Sewer Fund increased $1,925,206 the unrestricted net position of the Storm Water Fund increased $856,608, and the unrestricted net position of the Refuse Fund decreased $400,918. Factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's final General Fund budget was unchanged from its original budget.

During the year, revenues were $400,342 lower than budget, primarily due to tax earnings being $1,650,511 under budget and Investment earnings being $1,270,353 over budget.

During the year, expenditures were $907,850 less than budgetary estimates, exclusive of operating reserves, due to:

- General Government expenditures were $215,564 (5.1%) below budgetary expectations primarily due to personnel costs being $238,143 under budget. Salary related expenses were under budget due to positions being vacant for a portion of the year.

- Public Safety expenditures were $543,453 (3.4%) less than anticipated due to personnel costs being below budget by $302,239 because of unbudgeted vacancies. Police administration expenses were under budget by $191,163 (58.9%) primarily due to care of prisoners being $126,440 under budget and IT service, including backup services, being under budget by $65,038. Police operations expenses were $41,421 (10.4%) under budget primarily due to vehicle and equipment maintenance and repairs being $43,899 under budget.

- Public works expenditures were $84,034 under budgetary expectations due to personnel expenses being $99,537 under budget because of vacancies.

- Culture and recreation expenditures were $19,634 over budget, which is 100% attributable to the cost of library maintenance. As the library building gets older, the City incurs more cost to maintain it.

- The Community and Economic Development function was $74,460 (22.9%) under budget primarily due to personnel expenses being $66,818 (28.3%) less than budget because of unbudgeted vacancies. In addition, training related expenses were $4,379 under budget and professional services were $5,000 under budget.

The budget included $0 for transfers into the General Fund and $3,056,821 for transfers out of the General Fund. Actual transfers in were $358,970 over budget because money was transferred back into the General Fund from the Grant Matching Fund after federal reimbursement grants were received by the Grant Matching Fund. Transfers out were $1,112,209 less than budget because projects were delayed in the Grant Matching Fund, which postponed the need for a transfer.

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, 2024, amounts to $76,889,276 (net of accumulated depreciation). The Commission approved the City's capital asset policy which defined the thresh-hold for capitalizing asset purchases. The policy establishes the GFOA recommended $5,000 minimum for capitalizing assets.

Major capital asset events during the current fiscal year included the following:

- Total improvements to streets and sidewalk were $5,910,178. As of December 31, 2024, there are five street projects in Construction in Progress (CIP). The first is the 4th Street between Choctaw and Seneca project, which is almost complete. The total cost of construction was estimated to be between $3,200,000 and $3,800,000. The City has expended a total of $3,977,019 on this project, $3,648,091 of which was spent in 2024 and anticipates minimal expenses for the project in 2025. The second project is the 2024 Pavement Management Program (PMP) which consists primarily of mill and overlay improvements to various City streets. The 2024 PMP is budgeted at $2,000,000. The City expended $1,655,741 on this project in 2024. Three additional streets projects have been designed, but construction will not begin until 2025 or later. They are the Wilson Avenue Improvements project, the Vilas Street Sidewalk Improvements project, and the intersection improvement at 10th Street and Limit Street project. The City expended $417,822 on these three projects in 2024.

- In 2024 the City spent a total of $1,116,625 on Parks & Recreation projects. This includes four park projects totaling $904,616; equipment purchases of $37,548; and improvements to sidewalks and trails of $178,461.

- Police department equipment expenditures in 2024 were $222,010 for the purchase of a new bomb robot and the Fire Department replace 32 Self-Contained Breathing Apparatus for a total of $301,258.

- The Streets department purchased $377,830 in equipment including a new bucket truck, a Sealmaster crack repair machine and a mini-paver.

- 2024 expenditures on eight different building improvement projects were $1,184,493. The City expended $466,144 on the planning and design of a new Fire Station #3 and the demolition of the old structure. The project cost estimate is $5,000,000. This project is being financed with general obligation bonds which were issued in early 2024. Construction on the Fire Station will be complete in 2025. The City completed the following building improvement projects in 2024: the completion of a roof replacement project at the Riverfront Community Center with 2024 expenditures of $13,516 and a total cost of $272,337; and the replacement of pipes and other infrastructure in City Hall with 2024 expenditures of $178,353 and a total cost of $190,203. The City started the following two projects in 2024: the construction of a storage building at the Municipal Service Center for a cost-to-date of $162,454 and a total estimated cost of $300,000; and the construction of an administrative building at the Wastewater Treatment Plan for a cost-to-date of $169,697 and a total estimated cost of $750,000.

- The Planters II Fund spent $310,705 in 2024 on a project to replace the chiller system for the apartment building. The total cost of the project is estimated to be $750,000 and will be completed in 2025. Federal grants are being used to fund this project.

- The Refuse Fund purchased equipment in 2024 in the amount of $247,320 including a 2024 Freightliner refuse truck, a new 8x24' mobile office for the brush site and recycling center, and new flat top containers.

- The Sewer Fund had the following capital asset purchases: $17,645 for a flush truck dump station, $20,610 for the purchase of a UTV, and $11,569 for the purchase of a camera nozzle for the flush truck. In addition to the new administrative building mentioned above, the Sewer Fund had a project in CIP at the end of 2024. The project is comprised of replacing a trickling filter, the belt press, and a mixing system at the Wastewater Treatment Plant. The 2023 expenditures for this project were $26,250. The 2024 expenditures were $0, and the project budget is $2,498,000. This project may be modified in 2025 after a sewer assessment study is completed.

Additional information on the City of Leavenworth's capital assets can be found in Notes 1.G and 3.D in the Notes to the Basic Financial Statements.

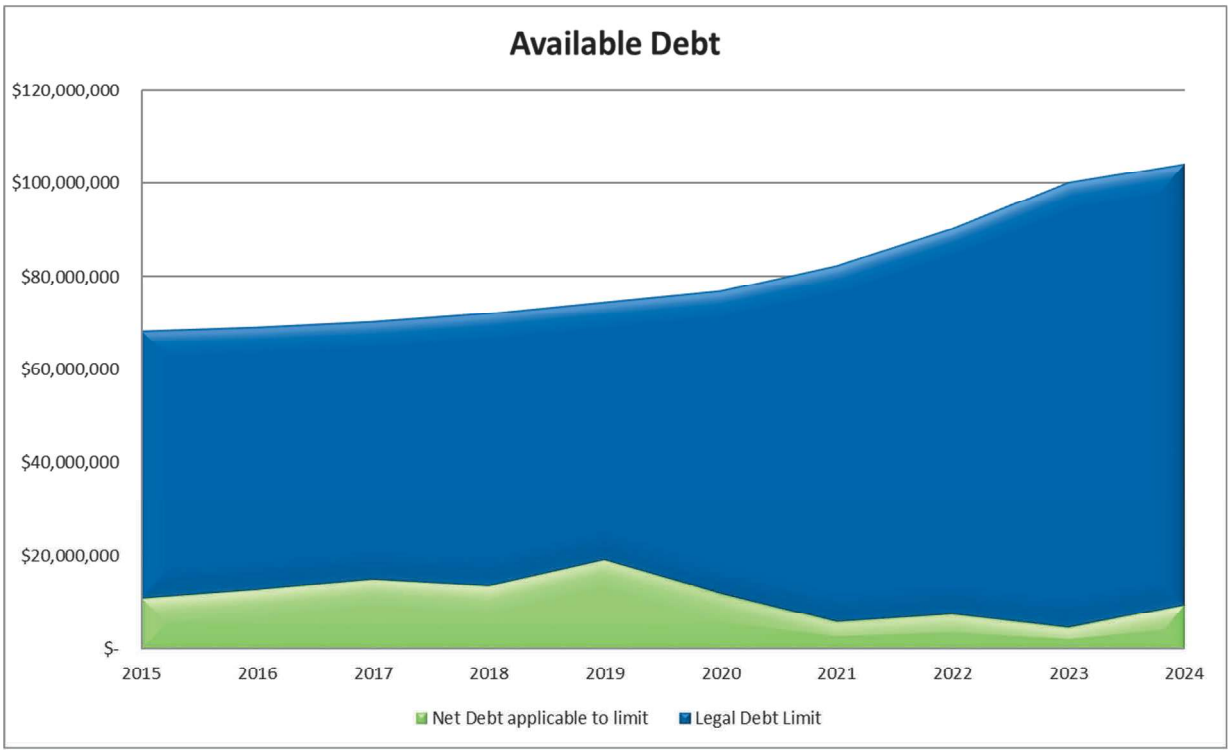
Long-term debt

At the end of the year, the City had total bonded debt outstanding of $25,030,000, all of which is debt backed by the full faith and credit of the City. Of this amount, $21,395,000 relates to governmental activities while $3,635,000 relates to business-type activities.

The City's total bonded debt increased by $1,630,000 during the current fiscal year. One new general obligation bond in the amount of $4,885,000 was issued in 2024 to support the construction of Fire Station #3 and $3,255,000 of bonded debt was retired.

The City maintains an "Aa2" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 30 percent of its total equalized assessed valuation. The current debt limit for the City is $104,061,939, which is significantly in excess of the City's outstanding general obligation debt.



The increase in legal debt limit is due to an increase in total equalized assessed valuation. The increase in net debt applicable to limit is due to the addition of one new general obligation bond in 2024 that was subject to the debt limit.

Additional information on the City's long-term debt can be found in Notes 1.J. and 3.E in the Notes to the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The issues causing the most uncertainty while preparing the 2024 budget were an upward trend in sales tax revenues, historic levels of inflation, wage pressures, and proposed changes to State tax legislation. For the 2024 budget the City Commission approved a 3.12 mill reduction in the City supported portion of the mill levy while the Library's mill levy was reduced by 0.052 mills. There was a 11.76% increase in assessed values, which resulted in a $128,137 decrease in ad valorem tax for the City and an equal increase for the Library, resulting in a revenue neutral tax rate for the City and the Library, combined.

The Neighborhood Revitalization Area (NRA) tax refunds were approximately $122,733. TIF related property tax refunds were budgeted to be $1,790,265.

Local sales and use tax and the City's portion of countywide sales and use tax were budgeted to increase by 8.34% over 2022 actual sales tax; however, the end result was a decrease of $131,047 (-0.78%) compared to 2022, therefore; 2024 sales tax collections were $1,561,530 under budget.

Franchise revenues were budgeted to increase by 19.3% over 2022 actual franchise tax and generate revenue of $3,708,670 in 2024, however 2024 actuals came in $802,911 under budget and totaled $2,905,759. The 2024 budget included a sliding scale salary increase of 5% to 15% for all City personnel, as discussed earlier in this analysis.

As the 2025 budget was being developed, decreasing sales tax revenue had become a concern. Therefore, the 2025 budget used three key revenue strategies: using a conservative approach to estimated future revenues, maintaining a practical level of reserves, and avoidance of using temporary revenue for ongoing needs. Unlike recent City budgets that were developed with expectations of continued economic growth, the 2025 budget considered signals of slowing economic momentum such as higher interest rates, higher housing costs, increased cost of goods, and a tight, more expensive labor market. Therefore, in addition to conservative revenue projections, the City prepared for continued inflationary pressure on the costs of goods, construction projects, and wages in its 2025 budget.

During 2021 the Kansas Legislature passed KSA 79-2988 which repealed the tax lid law and became effective for the 2022 budget. While it repealed the tax lid law, it imposed other restrictions on property tax levies. KSA 79-2988 requires the Counties to issue notices to property owners of what the revenue neutral rate will be for the coming year. Counties provide the revenue neutral rates to taxing jurisdictions no later than June 15th of each year. If taxing jurisdictions do not intend to adjust the mill levies to the revenue neutral rate, they are required to hold a public hearing in which members of the public can provide input. This public hearing must be held prior to the public hearing that is being held to adopt the budget and a notice of the public hearing must be published at least 10 days before the public hearing. The revenue neutral rate hearing and the budget hearing may occur on the same day. At this time, the 2026 budget is still being developed and the City anticipates that the 2026 budget will include a mill levy that, along with an approximate 5% increase in assessed value, will result in an increase in the tax rate which will not meet the revenue neutral rate requirement. Therefore, the City will notify the County Clerk prior to July 20, 2026, that it intends to exceed the revenue neutral rate for the 2026 budget. The City will hold a public hearing between August 20, 2025, and September 20, 2025, the purpose of which is to hear and answer objections of taxpayers relating to the proposed use of all funds, the amount of ad valorem tax, and the revenue neutral rate. The City is required to certify and submit the 2026 budget to the County Clerk's office no later than October 1, 2026.

In 2018, the Commission approved a Storm Water impact fee for the City to address deferred maintenance of the storm water system. In 2024 the fee generated $1,334,428 to address specific projects. The fee has generated approximately $9.3 million through 2024. These fees funded the $3.8 million construction project at 2nd and Chestnut streets, which was completed in 2023. This area of the City is home to the City's oldest infrastructure and City residents were experiencing significant flooding due to the collapse of the storm water sewer system. In addition to this large project, the fee funds several smaller storm sewer rehabilitation projects, stream bank restoration projects, stone arch replacement projects, and curb inlet replacement projects. All of these projects are designed to reduce storm water flooding throughout the City.

The City Commission opted to keep the Refuse rates flat and increase the Sewer rates by 5% in the 2024 budget. The 2025 proposed budget includes a 3% increase in the Refuse and Sewer rates. These rate increases are recommended because of rising operational costs, particularly the increased cost of landfill fees.

City Commission goals and priorities are updated annually. The 2025 budget was based on these priorities and the 2026 budget will also be based on the City Commission goals and priorities.

The 2025 compensation plan for employees included a 3.5% COLA allocated at the start of the fiscal year and a 5% increase in health insurance premiums. The actual increase in health insurance premiums in 2025 was 9.9%. Due to continued decrease in sales tax revenues, the proposed 2026 budget may not include a salary increase.

In summary, the approved 2025 budget levies a lower mill levy than was established in the 2024 budget for City operations and the proposed 2026 budget will establish a mill rate that is the higher than the 2025 approved budget. The 2024 mill rate was 26.962, the 2025 mill is 26.962, and the mill rate in the proposed 2026 budget is yet to be determined.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 100 North 5th Street, Leavenworth, Kansas, 66048.

Basic Financial Statements

City of Leavenworth, Kansas
Statement of Net Position
December 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Library
ASSETS				
Cash and cash equivalents	$ 27,367,374	$ 10,245,396	$ 37,612,770	$ 780,836
Deposits restricted for tenant deposit refunds	33,064	-	33,064	-
Receivables (net of uncollectibles)				
Taxes	9,909,752	-	9,909,752	1,512,195
Accounts	429,314	2,184,185	2,613,499	-
Special assessments	49,538	-	49,538	-
Interest	478,014	-	478,014	-
Due from other governments	368,086	-	368,086	-
Lease receivable	574,719	-	574,719	-
Other assets	23,783	-	23,783	-
Assets held for resale	1,260,400	-	1,260,400	-
Capital assets				
Not being depreciated	10,851,566	346,680	11,198,246	-
Being depreciated, net of depreciation	49,904,526	15,786,504	65,691,030	1,005,564
Total assets	101,250,136	28,562,765	129,812,901	3,298,595
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	4,747,034	350,071	5,097,105	158,458
OPEB related deferred outflows	2,275,961	343,621	2,619,582	349
Total deferred outflows of resources	7,022,995	693,692	7,716,687	158,807
LIABILITIES				
Accounts payable	1,616,586	169,822	1,786,408	8,081
Accrued expenses	654,834	73,065	727,899	286
Tenant related liabilities	32,929	-	32,929	-
Accrued interest	243,939	19,867	263,806	-
Unearned revenues	859,855	-	859,855	-
Long-term liabilities:				
Due within one year	3,986,361	715,578	4,701,939	-
Due in more than one year	53,961,596	5,871,930	59,833,526	678,374
Total liabilities	61,356,100	6,850,262	68,206,362	686,741
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	618,450	40,601	659,051	20,787
OPEB related deferred inflows	2,141,940	329,709	2,471,649	10,561
Property taxies levied for a subsequent period	6,908,964	-	6,908,964	1,512,195
Deferred revenue - leases	359,482	-	359,482	-
Total deferred inflows of resources	10,028,836	370,310	10,399,146	1,543,543
NET POSITION				
Net investment in capital assets	39,755,439	12,402,865	52,158,304	1,005,564
Restricted for:				
Capital outlay	3,363,207	-	3,363,207	-
Tax increment financing	805,233	-	805,233	-
Street maintenance	394,262	-	394,262	-
Law enforcement	98,131	-	98,131	-
Recreation programs	63,896	-	63,896	-
Housing services	1,509,433	-	1,509,433	-
Community development	328,072	-	328,072	-
General obligation debt	168,784	-	168,784	-
Probation	118,658	-	118,658	-
Economic development	2,972,330	-	2,972,330	-
Tourism and convention activities	817,207	-	817,207	-
Unrestricted (deficit)	(13,506,457)	9,633,020	(3,873,437)	221,554
Total net position	$ 36,888,195	$ 22,035,885	$ 58,924,080	$ 1,227,118

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position Primary Government: Governmental Activities	Net (Expense) Revenue and Change in Net Position Primary Government: Business-Type Activities	Net (Expense) Revenue and Change in Net Position Primary Government: Total	Component Unit: Library
Primary government:								
Governmental activities								
General government	$ 5,255,888	$ 1,365,087	$ 181,031	$ -	$ (3,709,770)	$ -	$ (3,709,770)	$ -
Public safety	18,110,074	158,475	223,821	222,382	(17,505,396)	-	(17,505,396)	-
Public works	8,590,032	1,269,106	1,618,811	1,203,118	(4,498,997)	-	(4,498,997)	-
Culture and recreation	4,237,315	457,803	-	383,631	(3,395,881)	-	(3,395,881)	-
Housing and urban redevelopment	3,893,684	579,535	2,901,569	310,705	(101,875)	-	(101,875)	-
Community and economic development	2,368,558	34,364	1,264,054	-	(1,070,140)	-	(1,070,140)	-
Unallocated depreciation expense	169,084	-	-	-	(169,084)	-	(169,084)	-
Interest on long term debt	814,096	-	-	-	(814,096)	-	(814,096)	-
Total governmental activities	43,438,731	3,864,370	6,189,286	2,119,836	(31,265,239)	-	(31,265,239)	-
Business-type activities:								
Sewer	5,464,981	5,459,281	-	-	-	(5,700)	(5,700)	-
Stormwater	508,485	1,334,428	-	-	-	825,943	825,943	-
Refuse	2,531,874	2,329,639	-	-	-	(202,235)	(202,235)	-
Total business-type activities	8,505,340	9,123,348	-	-	-	618,008	618,008	-
Total primary government	$ 51,944,071	$ 12,987,718	$ 6,189,286	$ 2,119,836	$ (31,265,239)	$ 618,008	$ (30,647,231)	$ -
Component unit:								
Library	1,648,585	15,917	14,321	-	-	-	-	(1,618,347)
Total component unit	$ 1,648,585	$ 15,917	$ 14,321	$ -	$ -	$ -	$ -	$ (1,618,347)
General revenues:								
Taxes:								
Property taxes					6,657,320	-	6,657,320	1,476,459
Tax increment property taxes					673,686	-	673,686	-
Sales taxes					16,562,293	-	16,562,293	-
Tax increment sales taxes					761,492	-	761,492	-
Franchise taxes					2,905,759	-	2,905,759	-
Motor vehicle taxes					863,341	-	863,341	-
Transient guest tax					838,720	-	838,720	-
Intergovernmental revenue not restricted to specific programs					-	-	-	98,762
Miscellaneous					376,474	11,804	388,278	250
Unrestricted investment earnings					1,893,832	-	1,893,832	19,837
Gain on sale of capital assets					270,235	-	270,235	-
Total general revenues					31,803,152	11,804	31,814,956	1,595,308
Transfers					(1,202,476)	1,202,476	-	-
Change in net position					(664,563)	1,832,288	1,167,725	(23,039)
Total net position - beginning					37,574,788	20,203,597	57,778,385	1,250,157
Prior period adjustment					(22,030)	-	(22,030)	-
Total net position - beginning, as restated					37,552,758	20,203,597	57,756,355	1,250,157
Total net position - ending					$ 36,888,195	$ 22,035,885	$ 58,924,080	$ 1,227,118

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Balance Sheet
Governmental Funds
December 31, 2024

	General	Debt Service	Capital Projects	NonMajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 8,971,716	$ 168,784	$ 9,202,112	$ 9,024,762	$ 27,367,374
Tenant deposits	-	-	-	33,064	33,064
Receivables, net					
Taxes	6,054,654	2,154,877	-	1,700,221	9,909,752
Accounts	410,347	-	4,653	14,314	429,314
Special assessments	47,473	2,065	-	-	49,538
Interest	469,123	-	7,606	1,285	478,014
Leases	-	-	-	368,086	368,086
Due from other funds	266,742	-	-	-	266,742
Due from other governments	-	-	77,116	497,603	574,719
Other assets	-	-	-	23,783	23,783
Assets held for resale	-	-	-	1,260,400	1,260,400
Total assets	$ 16,220,055	$ 2,325,726	$ 9,291,487	$ 12,923,518	$ 40,760,786
LIABILITIES					
Accounts payable	$ 517,014	$ -	$ 761,931	$ 337,641	$ 1,616,586
Accrued liabilities	559,031	-	-	95,803	654,834
Tenant deposits	-	-	-	32,929	32,929
Due to other funds	-	-	-	266,742	266,742
Unearned revenues	-	-	-	859,855	859,855
Total liabilities	1,076,045	-	761,931	1,592,970	3,430,946
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Property tax	4,253,450	2,154,877	-	500,637	6,908,964
Special assessments	47,473	2,065	-	-	49,538
Leases	-	-	-	359,482	359,482
Total deferred inflows of resources	4,300,923	2,156,942	-	860,119	7,317,984
FUND BALANCES					
Restricted	-	168,784	-	10,470,429	10,639,213
Assigned	-	-	8,529,556	-	8,529,556
Unassigned	10,843,087	-	-	-	10,843,087
Total fund balances	10,843,087	168,784	8,529,556	10,470,429	30,011,856
Total liabilities, deferred inflows of resources, and fund balances	$ 16,220,055	$ 2,325,726	$ 9,291,487	$ 12,923,518	$ 40,760,786

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Reconciliation of Balance Sheet -
Governmental Funds to the Statement of Net Position
December 31, 2024

Fund balances of governmental funds	30,011,856
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.	60,756,092
Deferred outflows and inflows related to pension and OPEB activity are not required to be reported in the governmental funds but are required to be reported in the Statement of Net Position	4,262,605
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:	
Long-term liabilities	(26,806,272)
Total Pension liability	(23,010,976)
Total OPEB liability	(8,130,709)
Certain revenues are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the governmental funds.	49,538
Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.	(243,939)
Net position of governmental activities	36,888,195

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Debt Service	Capital Projects	NonMajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 18,059,984	$ 2,089,154	$ -	$ 9,150,122	$ 29,299,260
Intergovernmental	349,058	-	859,883	7,100,179	8,309,120
Licenses and permits	393,455	-	-	-	393,455
Charges for services	1,926,767	-	13,852	1,150,673	3,091,292
Fines and forfeitures	379,624	-	-	-	379,624
Investment earnings	1,630,353	-	145,709	13,339	1,789,401
Miscellaneous	49,956	-	245,433	81,084	376,473
Total revenues	22,789,197	2,089,154	1,264,877	17,495,397	43,638,625
EXPENDITURES					
Current:					
General government	3,995,552	-	78,754	1,044,677	5,118,983
Public safety	15,382,506	-	666,895	18,488	16,067,889
Public works	2,699,544	-	873,844	1,243,545	4,816,933
Culture and recreation	37,934	-	280,847	3,151,349	3,470,130
Housing and urban redevelopment	58,582	-	118,227	3,616,977	3,793,786
Community and economic development	250,466	-	423,048	1,694,730	2,368,244
Debt service:					
Principal retirement	-	2,890,000	-	-	2,890,000
Interest and fiscal charges	2,105	520,449	221,919	171	744,644
Capital outlay	6,908	-	10,486,762	624,353	11,118,023
Total expenditures	22,433,597	3,410,449	13,150,296	11,394,290	50,388,632
Excess (deficiency) of revenues over (under) expenditures	355,600	(1,321,295)	(11,885,419)	6,101,107	(6,750,007)
OTHER FINANCING SOURCES (USES)					
Insurance proceeds	2,070	-	-	56,979	59,049
Sale of assets	250	-	216,393	32,195	248,838
General obligation bonds issued	-	-	4,885,000	-	4,885,000
Bond premium	-	-	247,471	-	247,471
Lease Issuance	56,390	-	1,052,874	17,900	1,127,164
Transfers in	358,970	1,200,000	7,783,321	2,202,259	11,544,550
Transfers out	(1,944,612)	-	(737,230)	(10,065,184)	(12,747,026)
Total other financing sources (uses)	(1,526,932)	1,200,000	13,447,829	(7,755,851)	5,365,046
Net change in fund balances	(1,171,332)	(121,295)	1,562,410	(1,654,744)	(1,384,961)
Fund balance - beginning	12,014,419	290,079	6,967,146	12,125,173	31,396,817
Fund balances - ending	$ 10,843,087	$ 168,784	$ 8,529,556	$ 10,470,429	$ 30,011,856

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Funds Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2024

Amounts reported for governmental activities are different because:	
Net change in fund balances - total governmental funds	(1,384,961)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay costs in excess of capitalization threshold	11,286,931
Depreciation	(5,984,756)
Capital asset retirements	(37,652)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the governmental funds.	
Special assessments and notes receivable	(36,648)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.	
Principal payment on long-term debt	2,890,000
Bond premium amortization	(143,039)
Proceeds from long term debt	(5,720,827)
Changes in accrued interest payable	(69,452)
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.	
Change in compensated absences and other post employment benefits payable	(206,175)
Changes in net pension obligations, deferred outflows and inflows	(1,257,984)
Change in net position of governmental activities	(664,563)

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2024

	Business-type Activities - Enterprise Funds			
ASSETS	**Sewer**	**Storm Water**	**Refuse**	**Total**
Current assets				
Cash and cash equivalents	$ 7,720,720	$ 891,354	$ 1,633,322	$ 10,245,396
Accounts receivable	666,231	1,346,897	171,057	2,184,185
Total current assets	8,386,951	2,238,251	1,804,379	12,429,581
Noncurrent assets				
Capital assets				
Not being depreciated	263,491	38,555	44,634	346,680
Being depreciated (net of depreciation)	8,727,606	6,291,758	767,140	15,786,504
Total capital assets (net of depreciation)	8,991,097	6,330,313	811,774	16,133,184
Total assets	17,378,048	8,568,564	2,616,153	28,562,765
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	208,297	8,007	133,767	350,071
OPEB related deferred outflows	211,730	893	130,998	343,621
Total deferred outflows of resources	420,027	8,900	264,765	693,692
LIABILITIES				
Current liabilities				
Accounts payable	131,686	97	38,039	169,822
Accrued expenses	43,241	1,626	28,198	73,065
Accrued interest payable	11,725	8,142	-	19,867
Current maturities on long-term debt	419,128	240,226	56,224	715,578
Total current liabilities	605,780	250,091	122,461	978,332
Long-term liabilities				
Net Pension liability	851,844	32,747	547,047	1,431,638
Total OPEB liability	744,338	2,115	459,822	1,206,275
Due in more than one year	1,822,110	1,261,280	150,627	3,234,017
Total long-term liabilities	3,418,292	1,296,142	1,157,496	5,871,930
Total liabilities	4,024,072	1,546,233	1,279,957	6,850,262
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	24,158	929	15,514	40,601
OPEB related deferred inflows	202,842	1,159	125,708	329,709
Total deferred inflows of resources	227,000	2,088	141,222	370,310
NET POSITION				
Net investment in capital assets	6,760,778	4,830,313	811,774	12,402,865
Unrestricted	6,786,225	2,198,830	647,965	9,633,020
Total net position	$ 13,547,003	$ 7,029,143	$ 1,459,739	$ 22,035,885

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			
	Sewer	Storm Water	Refuse	Total
OPERATING REVENUES				
Charges for services	$ 5,459,281	$ 1,334,428	$ 2,329,639	$ 9,123,348
Miscellaneous	3,961	-	7,843	11,804
Total operating revenues	5,463,242	1,334,428	2,337,482	9,135,152
OPERATING EXPENSES				
Personnel services	1,727,998	48,507	1,092,004	2,868,509
Contractual services	2,032,078	69,078	1,107,662	3,208,818
Commodities	416,613	-	197,758	614,371
Depreciation and amortization	1,250,322	364,875	135,496	1,750,693
Total operating expenses	5,427,011	482,460	2,532,920	8,442,391
Operating income (loss)	36,231	851,968	(195,438)	692,761
NONOPERATING REVENUES (EXPENSES)				
Interest expense	(37,970)	(26,025)	(5,529)	(69,524)
Gain (loss) on disposal of assets	-	-	6,575	6,575
Total nonoperating revenues (expenses)	(37,970)	(26,025)	1,046	(62,949)
Income before contributions and transfers	(1,739)	825,943	(194,392)	629,812
CAPITAL CONTRIBUTIONS & TRANSFERS				
Transfers in	1,202,476	-	-	1,202,476
Changes in net position	1,200,737	825,943	(194,392)	1,832,288
Total net position - beginning	12,346,266	6,203,200	1,654,131	20,203,597
Total net position - ending	$ 13,547,003	$ 7,029,143	$ 1,459,739	$ 22,035,885

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities - Enterprise Funds			
	Sewer	Storm Water	Refuse	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 5,299,839	$ 1,334,777	$ 2,346,327	$ 8,980,943
Payments to suppliers	(2,481,183)	(98,607)	(1,331,209)	(3,910,999)
Payments to employees	(1,426,111)	(50,450)	(830,243)	(2,306,804)
Net cash provided (used) by operating activities	1,392,545	1,185,720	184,875	2,763,140
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	1,202,476	-	-	1,202,476
Net cash provided (used) by noncapital financing activities	1,202,476	-	-	1,202,476
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(226,173)	(94,212)	(342,021)	(662,406)
Sale of capital assets - proceeds	-	-	6,575	6,575
Principal paid on long-term obligations	(382,501)	(235,000)	-	(617,501)
Interest paid	(39,289)	(26,825)	(5,529)	(71,643)
Net cash provided (used) by capital and related financing activities	(647,963)	(356,037)	(340,975)	(1,344,975)
Net increase (decrease) in cash and cash equivalents	1,947,058	829,683	(156,100)	2,620,641
Cash and Cash equivalents, January 1	5,773,662	61,671	1,789,422	7,624,755
Cash and cash equivalents, December 31	$ 7,720,720	$ 891,354	$ 1,633,322	$ 10,245,396
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ 36,231	$ 851,968	$ (195,438)	$ 692,761
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,250,322	364,875	135,496	1,750,693
Changes in compensated absences	11,153	(4,253)	107,237	114,137
Changes in total pension liability	122,872	1,491	88,874	213,237
Changes in total OPEB liability	299,089	(78)	155,357	454,368
Changes in deferred outflows of resources	(133,552)	1,055	(81,319)	(213,816)
Changes in deferred inflows of resources	(13,884)	(652)	(21,232)	(35,768)
Landfill closure/postclosure care costs	-	-	(27,312)	(27,312)
Changes in:				
Receivables	(163,403)	349	8,845	(154,209)
Accounts payable	(32,492)	(29,529)	1,523	(60,498)
Accrued liabilities	16,209	494	12,844	29,547
Net cash provided (used) by operating activities	$ 1,392,545	$ 1,185,720	$ 184,875	$ 2,763,140

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Pension Trust	Custodial Fund Leavenworth Public Library
ASSETS		
Cash and cash equivalents	$ 468,547	$ -
Accrued interest receivable	6,714	-
Property tax receivable	56,658	1,382,051
Total assets	531,919	1,382,051
LIABILITIES		
Accounts Payable	-	-
Total liabilities	-	-
DEFERRED INFLOWS OF RESOURCES		
Property taxes	56,658	1,382,051
Total deferred inflows of resources	56,658	1,382,051
NET POSITION		
Restricted		
Pension benefits	475,261	-
Total net position	$ 475,261	$ -

See accompanying notes to the basic financial statements

City of Leavenworth, Kansas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2024

	Pension Trust	Custodial Fund Leavenworth Public Library
ADDITIONS		
Taxes	$ 112,782	$ 1,476,459
Interest	21,784	-
Total additions	134,566	1,476,459
DEDUCTIONS		
Benefits	89,896	-
Distributions	-	1,476,459
Total deductions	89,896	1,476,459
Net changes in fiduciary net position	44,670	-
Net position - beginning	430,591	-
Net position - ending	$ 475,261	$ -

See accompanying notes to the basic financial statements

Notes to the Basic Financial Statements

1. Summary of significant accounting policies

A. Reporting entity

The City of Leavenworth, Kansas, a city of the first class, was incorporated in 1855. The City operates under a Commission-Manager form of government. The City is governed by an elected five-member board. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the City (the primary government) and its component unit, an entity for which the City is considered to be financially accountable. The discretely presented component unit is presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government.

Discretely presented component unit

The Leavenworth Public Library (the Library) is reported as a discretely presented component unit of the City since its board is appointed by the City Commission and it imposes a financial burden on the City. Specifically, the City issued debt to construct the Library facility and continues to assume responsibility for maintenance of the Library. The Library's financial statements include the financial statements of its discretely presented component unit, the Leavenworth Library Foundation. The amounts presented for the Library are the combined total of the Library and its discretely presented component unit.

Complete financial statements for the Public Library are available from their offices at 417 Spruce Street, Leavenworth, Kansas 66048.

B. Government-wide and fund financial statements

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

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

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

C. Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter 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 period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Capital Projects Fund* accounts for capital improvements (except for those financed by proprietary funds) which are financed from the City's general obligation bonds, special assessments, and other specific receipts.

The City reports the following major proprietary funds:

The *Sewer Fund* accounts for all activities necessary to provide sewer services to the residents of the City.

The *Storm Water Fund* accounts for all activities necessary to maintain the storm water drainage system of the City.

The *Refuse Fund* accounts for all activities necessary to provide refuse collection and disposal services to residents of the City.

Additionally, the City reports the following fiduciary funds:

The *Pension Trust Fund* accounts for the activities of the City's Police and Fire's Pension Plans.

The *Leavenworth Public Library Fund* is a custodial fund. It is used to account for assets held by the City as an agent for the Leavenworth Public Library system.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 Sewer Fund, Storm Water Fund and the Refuse Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term, highly liquid investments with original maturities of twelve months or less from the date of acquisition.

According to the City's formal investment policy adopted by the governing body, the City may pool idle cash from all funds for the purpose of increasing income through temporary investment activities. During the year, idle cash was invested in certificates of deposit, U.S. Government obligations, Kansas Municipal Investment Pool (KMIP), and repurchase agreements. Certificates of deposit are carried at cost because they are not affected by market rate changes. The repurchase agreements are stated at cost because they are not negotiable or transferable and are not affected by market fluctuations. The City also has investments consisting of U.S. Government obligations, KMIP, and money market mutual funds, which are carried at fair value.

The KMIP is under the oversight of the Pooled Money Investment Board (the Board) The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligation of, or obligations that are insured as to principal and interest by the U. S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Investment earnings are allocated to the funds required to accumulate interest. Other investment earnings are allocated based on management discretion based on the average daily equity balances. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund. For the fiscal year ended December 31, 2024, investment earnings allocated to the various funds totaled $1,811,185. Of this amount, $145,709 was allocated to the Capital Project Fund; $3,156 was allocated to the Police Seizure Fund; $21,784 was allocated to the Police and Fire Pension Trust fiduciary funds; $10,183 was allocated to the Housing Funds; and $1,630,353 was allocated to the General Fund.

E. Property taxes and other receivables

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one half or the full balance of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due until the ensuing year. At December 31, 2024, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred inflows of resources on the balance sheets of the appropriate funds. Delinquent taxes held by the County Treasurer at December 31, 2024 are not significant.

F. Special assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds that are secured by the full faith and credit of the City. Special assessments received prior to the issuance of general obligation bonds are recorded as revenue in the appropriate project fund. Special assessments and related interest received after the issuance of the general obligation bonds are recorded as revenue in the Debt Service Fund. Further, state statutes require levying additional general ad valorem taxes in the City's Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable is accounted for within the City's Debt Service Fund. Special assessments are levied over a 10- or 20-year period, and annual installments are due and payable with annual ad valorem taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. At December 31, 2024, the special assessment taxes levied are a lien on the property and the amount due in 2024 is recorded in the fund financial statements as special assessments receivable of $2,065, net of anticipated delinquencies, in the Debt Service Fund with a corresponding amount recorded as unavailable revenue.

State statutes and City ordinances allow special assessments to be levied against a property to reimburse the City for costs incurred for involuntary blight removal and lot clean up. Such special assessments are levied over a one-year period and are due and payable with annual ad valorem property taxes. At December 31, 2024, the amount due for such assessments is recorded in the fund financial statements as special assessments receivable of $47,473, net of anticipated delinquencies, in the General Fund with a corresponding amount recorded as unavailable revenue.

G. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The City defines capital assets as assets with an individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's useful life are not capitalized.

Depreciation of all capital assets is calculated using the straight-line method over the following estimated useful lives:

Buildings	15 to 30 years
Improvements other than buildings	15 to 30 years
Machinery and equipment	5 to 15 years
Infrastructure	15 to 30 years

H. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. See Note 4 for more information on the deferred outflows of resources for the pensions and Other Post-retirement Employee Benefits (OPEB).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. One item, *unavailable revenues/deferred receivables,* is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. The governmental funds report unavailable revenues from three sources: property taxes, special assessments, and long-term leases. The governmental activities report deferred receivables from property taxes and long-term leases receivable. These amounts are deferred and recognized as inflows of resources in the period that these amounts become available. The other item that qualifies for reporting as a deferred inflow of resources is related to the pensions and OPEB. See Note 4 for more information on the deferred inflows of resources for the pensions and OPEB.

I. Compensated absences and other termination payments

All permanent full-time and permanent part-time employees with 90 days of employment are eligible for vacation benefits in varying annual amounts. Employees are allowed to accumulate and carry forward 240 hours of vacation, except for fire fighters and police officers who are allowed to accumulate and carry forward 333.5 and 255 hours of vacation, respectively. Hours accumulated and not taken in excess of these amounts at December 31 of each year are lost by employees unless proper approvals are given. Sick leave benefits accrue to all full-time employees at the rate of one working day per month. There is no maximum amount of sick leave that can be accumulated. Upon resignation in good standing, an employee will receive 20% of sick leave. Upon retirement, an employee will receive 40% of sick leave.

Retirees may purchase health and dental insurance benefits through the City's group plans at 100% of the City's cost. Certain retirees are eligible for assistance with their monthly health and dental insurance premiums through a Health Benefit Account. Eligible employees are those who meet KPERS, KP&F, or Local Plan retirement criteria and who have completed a minimum of 20 years of service with the City, or who are approved for disability benefits under KPERS or KP&F.

For eligible employees, the remaining 60% of unused sick leave is converted to a cash value, which establishes the amount of the retiree's Health Benefit Account (a memorandum account). The City shall pay 50% of the retiree's actual monthly health and dental premiums on a pay-as-you-go basis from this memorandum account as long as a balance remains in the retiree's Health Benefit Account. The remaining 50% of the monthly premiums must be paid by the retiree. When the retiree's Health Benefit Account is exhausted, all City premium payments cease. Retirees may not convert the benefit into an in-lieu payment.

All employer related costs of vacation, sick leave, and retiree premium payments are accrued and recorded when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Long-term obligations

In the government-wide financial statements and proprietary funds types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method if they are material in amount.

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

K. Pensions

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

L. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Stewardship, compliance, and accountability

A. Budgetary information

Applicable Kansas statutes require that annual budgets be legally published and adopted for all funds (including Proprietary Funds) unless exempted by a specific statute. Statutory exemptions currently exist for all Capital Project Funds, Fiduciary Funds, and certain Special Revenue Funds (the ARPA, Police Seizure, Police Grants, Housing, Community Development, Special Park Gift and Community Grant Funds).

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

(a) Preparation of the budget for the succeeding calendar year on or before August 1 of each year.
(b) Publication of proposed budget on or before August 15 of each year.

(c) A minimum of 10 days' notice of public hearing, published in local newspaper, on or before August 15 of each year.
(d) Adoption of the final budget on or before August 25 of each year.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before October 1st. The City did hold a revenue neutral rate hearing for this year.

Budgets are prepared by fund, department, and activity. City management may make transfers of appropriations at the department and activity level of a fund without seeking the approval of the governing body; however, management cannot amend the total budget of a fund without approval of the governing body. The legal level of budgetary control is the fund level and is the level at which the governing body must approve any over-expenditures of appropriations or transfers of appropriated amounts. Kansas statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Such statutes permit original fund expenditure budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of public hearing to amend the expenditure budget of a fund. Ten days after publication, a public hearing is held and the City Commission may amend the expenditure budget of the fund at that time. During the year, three budgets were amended in accordance with Kansas statutes.

Control overspending in funds that are not subject to legal budgets is maintained by use of internal spending limits established by management. Applicable Kansas statutes require the use of an encumbrance system as a management control technique to assist in controlling expenditures. For budget purposes, unencumbered cash balances are determined by deducting liabilities and encumbrances from cash.

Accordingly, the actual data presented in the budgetary comparison statements include encumbrances and, consequently, differ from the expenditure data presented in the governmental fund financial statements prepared in conformity with GAAP.

3. Detailed notes on all funds

A. Deposits and investments

At December 31, 2024, the carrying values of deposits and investments are summarized as follows:

Cash on hand	$	1,535
Carrying amount of deposits		17,405,140
Repurchase agreement		1,000,000
U.S. government obligations		13,000,357
Kansas Municipal Investment Pool (KMIP)		6,707,349
Total cash and investments	$	38,114,381

Deposits

Custodial credit risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City does not have a formal depository policy, but Kansas statutes require that deposits be collateralized and that collateral pledged must have a fair value equal to 100% of the deposits and investments, less insured amounts. As of December 31, 2024, the City's deposits were insured with Federal depository insurance or collateralized by securities held in the City's name by their financial institution's agent.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2024:

	Fair Value Measurements Using		
	Level 1	Level 2	Level 3
Repurchase agreements	$ 1,000,000	$ -	$ -
U.S. Treasury obligations	-	13,000,357	-
	$ 1,000,000	$ 13,000,357	$ -

The securities underlying the repurchase agreements are guaranteed by the U. S. Government and their fair value exceeds that of the repurchase agreements

The City's investment in KMIP was considered a cash equivalent as all investments were held in the overnight pool. Investments that are considered cash equivalents are not classified in the fair value hierarchy.

Interest rate risk

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

		Maturities in Years	
	Fair Value	Less than 1	1-5
Repurchase agreements	$ 1,000,000	$ 1,000,000	$ -
U.S. Treasury obligations	13,000,357	13,000,357	-
Kansas Municipal Investment Pool (KMIP)	6,707,349	6,707,349	-
	$ 20,707,706	$ 20,707,706	$ -

Credit risk

The City's investment policy parallels state statutes and allows idle funds to be invested in temporary notes issued by the governing body, certificates of deposits, time deposits, repurchase agreements and United States treasury bills or notes. Inactive funds may also be invested in the state investment pool, if local financial institutions are not willing to pay an interest rate at least equal to the weekly "investment rate," which is the equivalent yield on U.S. government securities with maturities comparable to that of the investment being offered.

	Fair Value	Rating
U.S. Treasury obligations	$ 13,000,357	AAA
Kansas Municipal Investment Pool (KMIP)	6,707,349	AAA
	$ 19,707,706	

Custodial credit risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments. The City has no formal policy regarding custodial credit risk. The City is not exposed to custodial credit risk.

Discretely presented component unit

K.S.A. 9-1401 establishes the depositories, which may be used by the Library. The statute requires banks eligible to hold the Library's deposits have a main or branch bank in the County in which the Library is located and the banks provide an acceptable rate of return on deposits. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. At year-end, the carrying amount of the Library's cash, including certificates of deposit and cash on hand, was $780,836. The Library has no other policies that would further limit custodial credit risk. At December 31, 2024, the Library's deposits were not exposed to custodial credit risk.

B. Interfund receivables, payables and transfers

The composition of interfund balances as of December 31, 2024, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Non-major governmental	$ 266,742

These interfund balances result from the time lag between the dates that (1) transactions are recorded in the accounting system, and (2) payments between funds are made.

Interfund transfers:

Interfund transfers for the year ended December 31, 2024, are as follows:

Fund	Transfers In	Transfers Out
Major Funds:		
General Fund	$ 358,970	$ 1,944,612
Debt Service Fund	1,200,000	-
Capital Projects Fund	7,783,321	737,230
Sewer Fund	1,202,476	-
Non-major governmental funds	2,202,259	10,065,184
Total Transfers	$ 12,747,026	$ 12,747,026

Transfers are primarily used to move revenues from the fund with statutory collection authorization to the Debt Service Fund as debt service principal and interest becomes due or to the Capital Projects Fund to finance various capital projects.

C. Lease Arrangements

Under GASB 87, a lessor is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflows of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that related to future periods. Additional information for each lease receivable is as follows:

The City entered into two lease agreements for the right to place communication equipment on facilities owned by the City. Under the leases, the City received approximately $29,675 in 2024. The leases contain options to renew in 60-month increments. The lease receivable is measured as the present value of the future rent payments expected to be received during the lease term at discount rates ranging from 1.245% to 5.62% which is the increment borrowing rate at the inception of the leases. At December 31, 2024 the leases receivable balance was $386,086.

For the year ended December 31, 2024, the City recognized $26,210 in lease revenue and $7,045 of interest revenue under these leases.

The City's leases receivable activity for the year ended December 31, 2024, is as follows:

Lease Description	Balance January 1, 2024	Additions	Retirements	Balance December 31, 2024	Current
Tower attachments	$ 216,088	$ 206,118	$ 54,120	$ 368,086	$ 19,794
Total leases receivable	$ 216,088	$ 206,118	$ 54,120	$ 368,086	$ 19,794

The future minimum lease revenue due for governmental and business-type activities under lease arrangements for the year ended December 31, 2024 is as follows:

	Principal	Interest	Total
2025	$ 20,020	$ 11,437	$ 31,457
2026	20,350	11,336	31,686
2027	20,689	11,228	31,917
2028	22,305	11,115	33,420
2029	23,602	10,986	34,588
2030-2034	59,007	10,794	69,801
2035-2039	37,077	10,579	47,656
2040-2044	58,352	10,352	68,704
2045-2049	76,684	10,111	86,795
	$ 338,086	$ 97,938	$ 436,024

D. Capital assets

Capital assets activity for the year ended December 31, 2024, was as follows:

Primary government

Governmental activities:	Beginning Balance **	Additions	Retirements	Ending Balance
Capital assets, not being depreciated				
Land	$ 2,796,054	$ -	$ (475)	$ 2,795,579
Construction in progress	2,841,159	7,201,523	(1,986,695)	8,055,987
Total capital assets, not being depreciated	5,637,213	7,201,523	(1,987,170)	10,851,566
Capital assets being depreciated				
Buildings	34,344,866	-	-	34,344,866
Improvements	21,085,150	678,113	-	21,763,263
Machinery & equipment	13,339,036	1,364,216	(555,278)	14,147,974
Infrastructure	118,009,216	2,342,454	-	120,351,670
IT equipment	1,530,497	560,156	-	2,090,653
Leased equipment	908,540	1,127,164	(4,179)	2,031,525
Total capital assets being depreciated	189,217,305	6,072,103	(559,457)	194,729,951
Less accumulated depreciation for:				
Buildings	29,132,566	607,226	-	29,739,792
Improvements	14,636,139	590,966	-	15,227,105
Machinery & equipment	9,160,006	639,518	(518,101)	9,281,423
Infrastructure	84,976,971	3,673,016	-	88,649,987
IT equipment	1,286,642	156,496	-	1,443,138
Leased equipment	170,626	317,533	(4,179)	483,980
Total accumulated depreciation	139,362,950	5,984,755	(522,280)	144,825,425
Total capital assets being depreciated, net of depreciation	49,854,355	87,348	(37,177)	49,904,526
Total governmental activities capital assets, net of depreciation	$ 55,491,568	$ 7,288,871	$ (2,024,347)	$ 60,756,092

** As restated

Business-type activities:	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated				
Land	$ 58,634	$ -	$ -	$ 58,634
Construction in progress	112,471	201,473	(25,898)	288,046
Total capital assets, not being depreciated	171,105	201,473	(25,898)	346,680
Capital assets being depreciated				
Buildings	17,173,939	-	(2,075)	17,171,864
Improvements	12,714,618	-	-	12,714,618
Machinery & equipment	4,683,783	297,143	(27,893)	4,953,033
Leased equipment	-	99,110	-	99,110
Infrastructure	12,839,979	90,578	-	12,930,557
Total capital assets being depreciated	47,412,319	486,831	(29,968)	47,869,182
Less accumulated depreciation for:				
Buildings	16,121,616	352,847	(2,075)	16,472,388
Improvements	8,815,447	404,807	-	9,220,254
Machinery & equipment	3,160,539	262,609	(27,893)	3,395,255
Leased equipment	-	17,344	-	17,344
Infrastructure	2,264,351	713,086	-	2,977,437
Total accumulated depreciation	30,361,953	1,750,693	(29,968)	32,082,678
Total capital assets being depreciated, net of depreciation	17,050,366	(1,263,862)	-	15,786,504
Total business-type capital assets, net of depreciation	$ 17,221,471	$ (1,062,389)	$ (25,898)	$ 16,133,184

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

Governmental activities:	
General government	$ 287,083
Public safety	875,442
Public works	3,746,030
Housing and urban redevelopment	91,134
Culture and recreation	815,983
Unallocated depreciation expense	169,083
Total depreciation expense - governmental activities	$ 5,984,755
Business-type activities:	
Sewer	$ 1,250,322
Storm water	364,875
Refuse	135,496
Total depreciation expense - business-type activities	$ 1,750,693

Discretely presented component unit

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets being depreciated				
Books, furniture, & fixtures	$ 2,792,360	$ 262,587	$ (265,643)	$ 2,789,304
Total capital assets being depreciated	2,792,360	262,587	(265,643)	2,789,304
Less accumulated depreciation for:				
Books, furniture, & fixtures	1,868,532	178,168	(262,960)	1,783,740
Total accumulated depreciation	1,868,532	178,168	(262,960)	1,783,740
Library capital assets, net of depreciation	$ 923,828	$ 84,419	$ (2,683)	$ 1,005,564

Construction commitments

The City has active construction projects as of December 31, 2024. The City's commitments with contractors totaled $7,863,588 at December 31, 2024.

E. Long-term debt

Long-term liability activity for the year ended December 31, 2024, was as follows:

Governmental activities	Beginning Balance 1/1/2024**	Additions	Retired	Ending Balance 12/31/2024	Due Within One Year
General obligation bonds	$ 19,130,000	$ 4,885,000	$ 2,620,000	$ 21,395,000	$ 2,825,000
Temporary notes	545,000	-	270,000	275,000	275,000
Bond premium	890,970	247,471	104,432	1,034,009	136,888
Lease liability	759,921	1,127,164	291,337	1,595,748	376,056
Compensated absences *	2,366,521	139,996	-	2,506,517	373,417
Net pension liability	23,347,495	-	336,519	23,010,976	-
Other post-employment benefits	6,058,404	2,072,303	-	8,130,707	-
	$ 53,098,311	$ 8,471,934	$ 3,622,288	$ 57,947,957	$ 3,986,361

** As restated

Business-type activities	Beginning Balance 1/1/2024	Additions	Retired	Ending Balance 12/31/2024	Due Within One Year
General obligation bonds	$ 4,270,000	$ -	$ 635,000	$ 3,635,000	$ 640,000
Lease liability	-	99,109	15,770	83,339	17,920
Compensated absences *	126,256	35,586	-	161,842	33,946
Net pension liability	1,218,401	213,237	-	1,431,638	-
Accrued landfill closure/postclosure	84,015	-	14,600	69,415	23,712
Other post-employment benefits	751,907	454,367	-	1,206,274	-
	$ 6,450,579	$ 802,299	$ 665,370	$ 6,587,508	$ 715,578

* The change in compensated absences is presented as a net change.

Bond anticipation notes

Kansas statutes permit the issuance of bond anticipation notes to finance certain capital improvement projects that will be refinanced with general obligation bonds. During the year, no bond anticipation notes were issued for governmental activities to provide temporary financing for general capital improvements.

Bond anticipation notes issued for governmental activities for which all legal steps and the ability to consummate refinancing have not been met are reported as a fund liability in the fund receiving proceeds. The following bond anticipation note is reported as liabilities at December 31, 2024:

Governmental Activities	Series	Interest Rate	Issue Maturity Date	Balance 12/31/2024
2022 Parks Project	A2022	1.50%	12/1/2025	$ 275,000

General obligation bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. During the year, no general obligation bonds were issued for governmental activities to provide permanent financing for general infrastructure improvements.

General obligation bonds currently outstanding are as follows:

Governmental activities Purpose	Series	Rates	Date	Balance 12/31/2024
Business & technology park - taxable	2017-A	2.750% - 4.000%	9/1/2036	$ 3,665,000
Traffic	2017-B	2.000% - 2.750%	9/1/2027	540,000
Traffic	2018-A	3.000% - 3.125%	9/1/2028	615,000
Traffic	2019-A	3.000%	9/1/2029	725,000
Traffic & refunding	2020-A	1.000% - 1.750%	9/1/2030	1,035,000
Fire equipment & refunding	2021-A	1.500% - 3.000%	9/1/2036	7,245,000
Refunding	2021-B	3.000% - 4.000%	9/1/2031	1,505,000
Traffic	2022-A	2.000%	9/1/2032	1,180,000
Fire station	2024-A	4.000%	9/1/2034	4,885,000
Total governmental activities G.O. bonds				21,395,000

Business-type activities Purpose	Series	Rates	Date	Balance 12/31/2024
G.O. refunding & sewer	2020-A	1.000% - 1.750%	9/1/2032	2,135,000
Stormwater bonds	2020-A	1.000% - 1.750%	9/1/2030	1,500,000
Total business-type activities G.O. Bonds				3,635,000
Total G.O. bonds: balances as of December 31, 2024				$ 25,030,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Governmental activities

Year	Principal	Interest	Total
2025	$ 2,825,000	$ 695,741	$ 3,520,741
2026	2,555,000	547,277	3,102,277
2027	2,235,000	465,817	2,700,817
2028	2,115,000	397,375	2,512,375
2029	2,020,000	331,045	2,351,045
2030-2034	7,950,000	879,070	8,829,070
2035-2036	1,695,000	69,412	1,764,412
	$ 21,395,000	$ 3,385,737	$ 24,780,737

Business-type activities

Year	Principal	Interest	Total
2025	$ 640,000	$ 59,600	$ 699,600
2026	480,000	50,000	530,000
2027	485,000	42,800	527,800
2028	490,000	35,525	525,525
2029	505,000	26,950	531,950
2030-2032	1,035,000	31,850	1,066,850
	3,635,000	246,725	3,881,725
Total	$ 25,030,000	$ 3,632,462	$ 28,662,462

At December 31, 2024, the statutory limit on indebtedness for general obligation bonds and bond anticipation notes is $104,061,939, which, after reduction of applicable outstanding debt of $9,621,216 ($9,790 minus debt service fund balance of $168,784) provides a debt margin of $94,440,723. General obligation bonds of $15,515,000 for traffic way, sewer and refuse improvements and refundings issued under K.S.A. 10-427 are exempt from this calculation.

Leases Liabilities

The City entered into lease agreements (2) as lessee for the use of office equipment. One of those lease agreements terminated on April 30, 2024. The City is required to make monthly payments on the remaining lease agreement of $1,475. The remaining lease has an implicit interest rate of 4.9%. As of December 31, 2024, the value of the right to use assets is $64,881 with accumulated amortization of $13,292, and the value of the lease liability is $65,404.

The City also entered into lease agreements (44) for the use of vehicles with terms from 36 to 60 months with monthly payments ranging from $679 to $1,322 for a total monthly payment of $40,309. The interest rates on the vehicle leases range from 7.31% to 8.37%. As of December 31, 2024, the value of the right to use assets is $1,564,428 with accumulated amortization of $487,509, and the value of the lease liability is $1,613,683.

The future minimum lease payment for governmental and business-type activities for the year ended December 31, 2024 is as follows:

	Principal	Interest	Total
Governmental			
2025	$ 376,056	$ 109,411	$ 485,467
2026	405,784	79,614	485,398
2027	426,858	47,470	474,328
2028	279,863	19,715	299,578
2029	107,187	2,661	109,848
	1,595,748	258,871	1,854,619
Business-type			
2025	17,920	5,640	23,560
2026	19,310	4,250	23,560
2027	20,808	2,752	23,560
2028	22,422	1,138	23,560
2029	2,879	24	2,903
	83,339	13,804	97,143
Total	$ 1,679,087	$ 272,675	$ 1,951,762

Conduit Debt Obligations

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

Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Through December 31, 2024, there is one series of Industrial Revenue Bonds (IRB) outstanding, with an aggregate principal amount payable of $357,794.

F. Fund balances/Net Position

Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications:

Non-spendable fund balance includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or removed only with the consent of resource providers, such as grantors, bondholders, or higher levels of government.

Committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Commission is the highest level of decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned fund balance includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. The City Commission has by resolution authorized the City Manager to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of the assignment.

Unassigned fund balance is the residual classification for the General Fund and includes all amounts not contained in the abovementioned classifications. The general fund is the only fund that reports a positive unassigned fund balance. Other governmental funds may report a negative unassigned fund balance if expenditures for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

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

Net Position Classifications

In the government-wide statements, equity is shown as net position and classified into three components:

Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund balances for all governmental funds as of December 31, 2024 were reported as follows:

	General	Debt Service	Capital Projects	NonMajor Governmental	Total
Restricted for:					
Capital outlay	$ -	$ -	$ -	$ 3,363,207	$ 3,363,207
Tax increment financing	-	-	-	805,233	805,233
Street maintenance	-	-	-	394,262	394,262
Law enforcement	-	-	-	98,131	98,131
Tourism and conventions	-	-	-	817,207	817,207
Recreation programs	-	-	-	63,896	63,896
Housing services	-	-	-	1,509,433	1,509,433
Probation services	-	-	-	118,658	118,658
Community and economic development	-	-	-	3,300,402	3,300,402
General obligation debt	-	168,784	-	-	168,784
Total restricted fund balance	-	168,784	-	10,470,429	10,639,213
Assigned to:					
Capital improvements	-	-	8,529,556	-	8,529,556
Total assigned fund balance	-	-	8,529,556	-	8,529,556
Unassigned	10,843,087	-	-	-	10,843,087
Total fund balance	$ 10,843,087	$ 168,784	$ 8,529,556	$ 10,470,429	$ 30,011,856

The City Commission adopted a revision of the General Fund Reserve Policy to include the CIP Sales Tax Fund, the County Wide Sales Tax Fund, and for the Sewer Fund and Refuse Fund. The policy aims to ameliorate the adverse impacts of unforeseen financial events such as an economic downturn, significant unanticipated and unavoidable expenditures, or significant unanticipated and unavoidable reductions of revenue.

It is the policy of the City to maintain a General Fund budgetary basis fund balance equal to 16.67% of annual expenditures. Consistent with K.S.A. 10-1101 et al (the Kansas “cash basis law”), the budgetary basis fund balance is defined as cash less payables less encumbrances. In 2020, the Commission revised the policy to maintain an unrestricted net position of at least three months of operating expenses and 5% of net capital assets (total assets minus accumulated depreciation times 5%) for the Sewer Fund.

Further, to facilitate the creation and maintenance of the aforementioned General Fund balance policy, it is the policy of the City to annually budget a non-appropriated reserve of 4.00% of fund expenditures as authorized by K.S.A. 79-2927.

Finally, it is the policy of the City to consider the non-appropriated reserve as being unavailable for expenditures and to restrict the utilization of the reserve—as a last resort—to accommodating revenue shortfalls that cannot be overcome through budgetary revisions or emergency expenditures that cannot be deferred to future periods. The policy provides for use of unassigned reserves restricted to include debt reduction; one-time expenditures that do not increase recurring operating costs, but cannot be funded through current revenues, and will reduce future operating costs; and establishing or increasing reserves for risk management programs, equipment replacement, capital projects, emergencies, or disaster recovery.

4. Other information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in insurance coverage from the previous fiscal year. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

For its workers' compensation insurance, the City is a participant in the Kansas Eastern Regional Insurance Trust (KERIT), a not-for-profit public entity risk pool established by a group of city and county governmental entities in the eastern region of Kansas. As of December 31, 2024, the membership of KERIT included fourteen cities and two counties.

The City pays an annual premium to KERIT for this workers' compensation insurance. KERIT members are subject to additional premium assessments in the event of deficiencies and may receive dividends from those claims years when revenues exceed expenses. KERIT provides coverage for its members within a self-insured retention limit of $400,000 in accordance with State statutes and obtains independent coverage for insured events up to an annual aggregate limit of $5 million.

An Annual Comprehensive Financial Report (ACFR) for KERIT is available from their offices at 600 Broadway, Suite 300, Kansas City, Missouri 64105-1554.

B. Pension plans - Kansas Public Employees Retirement System

Plan description

The City and the Library participate in the Kansas Public Employees Retirement System (KPERS) a cost-sharing multiple employer public employee retirement system (Pension Plan). The Pension Plan is administered by KPERS, a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

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

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

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

KPERS issues a stand-alone Annual Comprehensive Financial Report (ACFR), which is available on the KPERS website at www.kpers.org.

Benefits

Benefits are established by statute and may only be changed by the State Legislature. Members (except Police and Fire) with ten or more years of credited service, may retire as early as age 55 (Police and Fire may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85. Police and Fire 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 actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A 74-4921. All of the retirement 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. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll.

The actuarially determined employer contribution rate and the statutory contribution rate for the local employee group are both 9.26%. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2024 is 6%. The actuarially determined employer contribution rate and the statutory contribution rate for the police and fire group are both 23.10%. Member contribution rates for this group are 7.15%.

Contributions to the Pension Plan from the City for the local employee group and police and firefighter group were $607,923 and $1,762,386, respectively, for the year ended December 31, 2024. Contributions from the Library were $64,846 for the year ended December 31, 2024.

Employer Allocations

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

- State/School; Local; Police and Fire; and Judges

To facilitate separate (sub)actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployee allocations are applied to the amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of June 30, 2024 was based on the ratio of its contributions to the total of the employer and non-employer contributions of the group for the fiscal years ended June 30, 2024. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2024, the City's proportion in the local employee group was 0.3246%, which was an increase of 0.0067 from 2023. At June 30, 2024, the City's proportion in the police and fire group was 1.0644%, which was a decrease of 0.0019% from 2023. At June 30, 2024, the Library's proportion in the police and fire group was .0317%, which was a decrease of 0.0088% from 2023.

Net Pension Liability

At June 30, 2024, the City's local employee group reported a liability of $6,896,078 for its proportionate share of the net pension liability. The City's police and fire group reported its proportionate share of the net pension liability of $16,966,003 at June 30, 2024. The Library reported its proportionate share of the net pension liability of $673,933 at June 30, 2024.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024, using the following actuarial assumptions:

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

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

The 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Long-term Target Allocation	Long-Term Expected Real Rate of Return
Non-U.S. Equities	43.00%	8.20%
Core Fixed Income	13.00%	2.20%
Yield Driven	12.00%	5.30%
Infrastructure	3.00%	6.80%
Real Estate	15.00%	5.70%
Alternatives	11.00%	12.00%
Short-term Investments	3.00%	0.30%
	100.00%	

Discount Rate

The discount rate used by KPERS to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in 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.

Sensitivity of the City's and Library'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 7.00% 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 (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Local	$ 9,983,634	$ 6,896,078	$ 4,315,723
Police and Fire	23,212,194	16,966,003	11,742,427
Net Pension Liability	$ 33,195,828	$ 23,862,081	$ 16,058,150

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

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Net Pension Liability	$ 975,671	$ 673,933	$ 421,763

For the year ended December 31, 2024, the City recognized Local pension expense of $1,090,060, Police and Fire pension expense of $2,834,609, and the Library recognized $106,017 pension expense, 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.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Local Group	Police and Fire	Total
Deferred outflows of resources			
City contributions subsequent to the measurement date	$ 302,284	$ 890,221	$ 1,192,505
Differences between actual and expected experience	838,863	1,466,686	2,305,549
Net differences between projected and actual earnings on investments	42,247	80,863	123,110
Changes of assumptions	416,832	903,635	1,320,467
Changes in proportion	86,036	61,342	147,378
Total	$ 1,686,262	$ 3,402,747	$ 5,089,009
Deferred inflows of resources			
Changes in proportion	$ (195,571)	$ (456,632)	$ (652,203)
Total	$ (195,571)	$ (456,632)	$ (652,203)

The City reported $1,192,505 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended December 31, 2025.

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

Year Ending June 30,	Local Group Deferred (Inflows) Outflows Amount	Police and Fire Deferred (Inflows) Outflows Amount
2025	$ 314,681	$ 629,156
2026	678,665	1,250,282
2027	136,317	230,610
2028	58,744	(54,154)
Total	$ 1,188,407	$ 2,055,894

Discretely presented component unit

At December 31, 2024, the Library reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Library
Deferred outflows of resources	
Differences between actual and expected experience	$ 81,980
Net differences between projected and actual earnings on investments	4,129
Changes of assumptions	40,736
Changes in proportion	31,613
Total	$ 158,458
Deferred inflows of resources	
Net differences between projected and Changes in proportion	$ 20,787
Total	$ 20,787

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

Year Ending June 30,	Library Deferred (Inflows) Outflows Amount
2025	$ 31,862
2026	73,086
2027	21,441
2028	11,281
Total	$ 137,670

C. Pension Plans-Police and Fire Pension Plan

Plan description

Plan administration. The Police and Fire Pension Plan (the Plan) is a single-employer defined benefit pension plan that is administered by the City. The Plan was established by City ordinance in 1945 to provide retirement income benefits for police officers and firefighters and became closed to new entrants in 1971. In 1971, when the City became affiliated with the Kansas Police and Firemen's Retirement System (KP&F), all members were given the option of joining KP&F or remaining with the Plan. All administrative costs are absorbed by the City's General Fund.

Management of the Plan is vested in the City Commission, which consists of five elected members. Plan provisions may be amended by the City Commission.

The Plan does not issue a stand-alone financial report but is included as a pension trust fund of the City.

Plan membership. The plan is closed to new entrants. At December 31, 2024, pension plan membership consisted of three (3) inactive plan members or beneficiaries currently receiving benefits.

Benefits provided. The Plan provides only retirement benefits. The retirement benefits are calculated as 50% of the higher of the final monthly salary or the average of the final twelve months of salary.

Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustments are determined by the City Commission.

Contributions. The contribution requirements of plan members and the reporting entity are established by City ordinance and may be amended by the City Commission. The City is required to contribute at an actuarially determined amount based on the latest actuarial report. As this is a closed plan and all members are retirees or beneficiaries, the members are no longer making any contribution to the Plan. The City provides for pension expenses by levying ad valorem property taxes each year. The actual employer contribution to the Plan during the year ended December 31, 2024 was $58,792.

Investments

Investment Policy. The City has no formal investment policy or asset allocation policy for the Plan. All plan assets are invested in the City's cash pool which falls under the City's investment policy.

Methods used to value investments. The pension plan assets consist of only pooled cash and investments that are pooled with the City's cash and investments. These consist of checking accounts, repurchase agreements, treasury notes, treasury bills, and certificates of deposits. The Plan's portion is reported at fair value.

Concentrations. The entire pension fund assets are invested in the City's cash pool. The Plan holds no individual investments with a fair value that exceeds five percent of net position available for benefits.

Rate of return. For year ended December 31, 2024, the annual long-term expected rate of return on pension plan investments, net of pension plan investment expenses, was 2.50%. The long-term expected rate of return expresses investment performance net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability

The City's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2024 using the following actuarial assumptions:

Actuarial cost method	Entry age method
Asset method	Fair value of assets
Interest rates:	
Discount rate	2.5%
Expected long term rate of return	2.5%

Mortality rates were based on the PubG-2010 Mortality Table Projected Generationally from 2010 with the Mortality Improvement Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2024 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
Cash	100%	0.0%

Changes in the net pension liability

Discount Rate

The discount rate used to measure the total pension liability was 2.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at beginning of year	$ 1,134,046	$ 541,239	$ 592,807
Changes for the year:			
Interest	32,673	-	32,673
Difference between expected and actual	33,298	-	33,298
Change in assumptions	2,331	-	2,331
Contributions - employer	-	58,792	(58,792)
Net investment income	-	21,784	(21,784)
Benefit payments, including refunds	(89,896)	(89,896)	-
Net changes	(21,594)	(9,320)	(12,274)
Balances at end of year	$ 1,112,452	$ 531,919	$ 580,533

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability, calculated using the discount rate of 2.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.50%) or 1-percentage point higher (3.50%) than the current rate:

	1% Decrease 1.50%	Current Discount Rate 2.50%	1% Increase 3.50%
Net pension liability	$ 673,636	$ 580,533	$ 499,042

Pension expense and deferred outflows of resources and deferred inflows of resources

For the year ended December 31, 2024, the City recognized pension expense of ($60,059). At December 31, 2024, the City reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred
Differences between projected and actual earnings on pension plan investments	$ 8,096	$ (6,848)	$ 1,248

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

Year Ended December 31:	Annual Recognition
2025	$ 3,982
2026	352
2027	(1,881)
2028	(1,205)
Total	$ 1,248

Summary of financial reporting of the City's pension plans:

	KPERS		Police	
	Local	Police and Fire	and Fire	Total
Governmental activities:				
Net Pension Liability	$ 5,464,440	$ 16,966,003	$ 580,533	$ 23,010,976
Business-type activities:				
Net Pension Liability	1,431,638	-	-	1,431,638
Citywide Net Pension Liability	$ 6,896,078	$ 16,966,003	$ 580,533	$ 24,442,614
Governmental activities:				
Pension related deferred outflows	$ 1,336,191	$ 3,402,747	$ 8,096	$ 4,747,034
Pension related deferred inflows	(154,970)	(456,632)	(6,848)	(618,450)
Business-type activities:				
Pension related deferred outflows	350,071	-	-	350,071
Pension related deferred inflows	(40,601)	-	-	(40,601)
Total	$ 1,490,691	$ 2,946,115	$ 1,248	$ 4,438,054
Pension expense	$ 1,090,060	$ 2,834,609	$ 60,059	$ 3,984,728

D. Other postemployment healthcare benefits

Health Insurance Plan

Description

The City offers postemployment health insurance to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The benefit is available for selection at retirement and is extended to retirees and their dependents until the individuals become eligible for Medicare at age 65. The plan does not issue a stand-alone financial report.

Funding policy

The City provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the State Legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 100 percent of the blended premium cost of active employees up to age 65 (including the employer and employee share). The plan is considered to be funded on a pay-as-you-go basis and there are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

At December 31, 2024, the following employees were covered by the benefit terms:

Active employees	250
Inactive members currently receiving benefits	25
Total	275

Total OPEB Liability

The City's total OPEB liability of $9,191,800 was measured as of December 31, 2024 as determined by actuarial valuation as of January 1, 2025. The total OPEB liability as of December 31, 2024 was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Measurement date	December 31, 2024
Actuarial valuation date	January 1, 2025. Liabilities as of December 31, 2024 are based on an actuarial valuation date of January 1, 2025 with no adjustments. Liabilities as of December 31, 2023 are based on an actuarial valuation date of January 1, 2023 projected to December 31, 2023, reflecting actual premiums and updated discount rate.
Actuarial method	Entry Age Normal Level % of salary method
Inflation	2.75% per year
Payroll growth	Payroll growth rates include general wage inflation of 3.50% (includes 2.75% inflation and 0.75% productivity growth), plus merit increases based on the Kansas Public Employees Retirement System(KPERS) and Kansas Police and Firemen's Retirement System (KPF) actuarial valuation as of December 31, 2023. KPERS employees are assumed to follow the KPERS Local rates, while KPF employees are assumed to follow the KPF rates.
Discount rate	4.28% as of December 31, 2024 and 4.00% as of December 31, 2023 for accounting disclosure purposes.
Disability	None

Changes in the total OPEB liability are as follows:

Balance 1/1/2024	$ 6,648,386
Service Cost	421,746
Interest	278,566
Changes of benefit terms	-
Difference between expected and actual experience	1,522,577
Changes of assumptions/methodology	534,620
Benefit payments	(214,095)
Net change in total OPEB liability	2,543,414
Total OPEB liability 12/31/2024	$ 9,191,800
Covered payroll	$ 14,741,105
Total OPEB liability as a percentage of covered payroll	62.4%

The following presents the total OPEB liability, calculated using the current discount rate of 4.28%, as well as the total OPEB liability calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	$ 10,050,492	$ 9,191,800	$ 8,420,628

The following presents the total OPEB liability, calculated using the current healthcare cost trend rate of 7.50% decreasing to 4.50%, as well as the total OPEB liability calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	$ 8,568,780	$ 9,191,800	$ 9,936,881

For the year ended December 31, 2024, the City recognized OPEB expense of $476,945.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2024, the City reported deferred outflows related to other postemployment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 1,775,099	$ (1,502,899)
Changes of assumptions	738,620	(799,897)
Total	$ 2,513,719	$ (2,302,796)

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

Year Ending December 31:	Annual Recognition
2025	$ (223,365)
2026	(45,257)
2027	44,172
2028	44,172
2029	44,171
Thereafter	344,030
Total	$ 207,923

Disability Benefits and Life Insurance Plan

Plan Description, Benefits Provided and Contributions

E. Other Postemployment Benefits - KPERS

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

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provisions.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of $100 and a maximum of $5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers' compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 55th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

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

Employees Covered by Benefit Terms

At December 31, 2024, the following employees were covered by the benefit terms:

Active plan members	126
Inactive employees or beneficiaries currently receiving benefits	3
Total	129

`

Total OPEB liability and Actuarial Assumptions

The City's total OPEB liability of $145,181 was measured at June 30, 2024 (the measurement date), and was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024, using the following actuarial assumptions:

Valuation date	December 31, 2023
Measurement date	June 30, 2024
Inflation	2.75%
Actuarial cost method	Entry Age Normal
Payroll growth	3.00%
Salary increases including inflation	3.50%
Discount rate	3.93%

Mortality rates used for the death benefits were based on 90% of the RP-2014 Total Dataset +2 for Males and 90% of the RP-2014 Total Dataset+1 for Females. Generational mortality improvements were projected for future years using MP-2021.

Changes in the Total OPEB Liability

The changes in the OPEB liability are as follows:

Balance at December 31, 2023	$ 161,925
Changes for the year:	
Service cost	16,030
Interest	6,263
Changes in economic/demographic gains or losses	(26,436)
Changes in assumptions or other inputs	233
Benefit payments	(12,834)
Balance at December 31, 2023	$ 145,181

Sensitivity Analysis

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	$ 150,362	$ 145,181	$ 139,995

Healthcare cost trend rate sensitivity analysis is not applicable as healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS.

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

For the year ended December 31, 2024, the City recognized OPEB expense for this plan of $25,650. At December 31, 2024, the City reported deferred outflows and inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 94,701	$ (146,173)
Changes of assumptions	11,162	(22,680)
Total	$ 105,863	$ (168,853)

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

Year Ending December 31:	Annual Recognition
2025	$ 3,357
2026	3,515
2027	(254)
2028	(13,421)
2029	(23,966)
Thereafter	(32,221)
Total	$ (62,990)

Summary of financial reporting of the City's OPEB plans:

	Health Insurance Plan	KPERS	Total
Governmental activities:			
OPEB liability	$ 8,004,282	$ 126,425	$ 8,130,707
Business-type activities:			
OPEB liability	1,187,518	18,756	1,206,274
Total OPEB liability	$ 9,191,800	$ 145,181	$ 9,336,981
Governmental activities			
OPEB related deferred outflows	$ 2,183,775	$ 92,186	$ 2,275,961
OPEB related deferred inflows	(2,005,290)	(147,038)	(2,152,328)
Business-type activities:			
OPEB related deferred outflows	329,944	13,677	343,621
OPEB related deferred inflows	(297,506)	(21,815)	(319,321)
Total	$ 210,923	$ (62,990)	$ 147,933
Total OPEB Expense	$ 113,165	$ 22,276	$ 135,441

F. Closure and post-closure care costs

State and federal laws and regulations require the City's sanitary landfill to place a final cover on the landfill site and to perform certain maintenance and monitoring functions for thirty years after closure. Although closure and post-closure care costs will be paid in future periods, the City reports these closure and post-closure care costs as an operating expense in each period based upon landfill capacity used as of the balance sheet date. The $69,415 reported as landfill closure and post-closure care liability in the Refuse Fund at December 31, 2024 represents 100% of the estimated liability as the landfill is no longer accepting waste. Actual costs may be different than those estimated due to inflation, changes in technology or changes in regulations.

G. Commitments and contingencies

Normal commitments have been made for future expenditures related to the City's capital projects program.

The City is a defendant in various legal actions pending or in process for property damage, personal injuries, zoning matters and other miscellaneous claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. While certain lawsuits involve substantial amounts, in the opinion of management and counsel, such litigation will have no material effect on the basic financial statements of the City.

The City receives significant financial assistance from numerous Federal, state and local governmental agencies in the form of grants. Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy, efficiency and program results which may result in disallowed costs to the City. However, City management does not believe such audits would result in any disallowed costs that would be material to the City's financial position as of December 31, 2024.

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executed contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but as restricted, committed, or assigned fund balance. At December 31, 2024, the City's recorded encumbrances in governmental funds were as follows:

General Fund	$ 21,057
ARPA Fund	832,479
Grant Match Fund	109,323
Capital Projects Fund	6,855,443
Street Capital Projects Fund	370,305
Sewer Fund	818,808
Housing Funds	397,620
Stormwater Capital Projects Fund	8,292
	$ 9,413,327

H. Tax Abatements

The City provides tax abatements through two programs-the Neighborhood Revitalization Area and Economic Development Plan.

For the fiscal year ended December 31, 2024, the City abated taxes totaling $859,699, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- The **Neighborhood Revitalization Area (NRA)** was established under the authority of K.S.A 12-17, 114 et al. The purpose of the plan is intended to promote the rehabilitation, conservation, and /or redevelopment of areas within the city to protect the public health, safety, and welfare of the residents.

  The tax rebate incentive is available to property owners for certain improvements that raise the appraised value of residential and commercial properties. The City evaluates all the properties before granting the abatement. Any default in paying taxes results in the property owner not receiving their abated monies. If the property is sold, the abatement stays in effect with the new property owner.

  The NRA provides for an ad valorem rebate of 100% of the increased taxes paid on eligible improvements for a period of 5-10 years. Inter-local agreements were entered into with the USD #453 school district and Leavenworth County. The NRA district includes properties from Metropolitan Avenue as the northern boundary to Spruce Street as the southern boundary and from N Esplanade Street as the eastern boundary to N 10th Street as the western boundary, with a portion of area between 10th and 11th street included. Within that area, two sections are considered Tax Increment Financing (TIF) areas instead of NRA.

  As of December 31, 2020, the Commission approved extending the NRA for another 10 years. There are approximately 60 properties participating in the tax abatements, which totaled $122,733 for the year ending December 31, 2024.

- **The Economic Development Plan** was established under the authority of K.S.A. 12-1770 et seq. and includes tax abatements for economic development purposes in the form of Tax Increment Financings (TIFs) and Industrial Revenue Bonds (IRBs). The statutes require that the projects being considered for a TIF generate enough benefits and TIF revenues to cover or exceed the project costs. TIFs may take the form of either ad valorem tax abatements or sales tax abatements or both. IRBs not only provide financing for the project but also allow the sales taxes on the project to be abated using the City's sales tax exemption status.

As of December 31, 2024, the City has the following **Property Tax TIF** agreements:

- Zeck Ford (2015-2035): 100% refund of the property tax generated in excess of the assessed value excluding the allocation to the state and the school district general fund that is exempted by statute. $1,102,513 is considered the base value, and 2015 is considered the base year. For the year ending December 31, 2024, the district generated $196,589.
- North Gateway Hotels (2014-2034): 100% of the property tax generated on the increased value of the properties in the North Gateway Hotel TIF is placed into a TIF fund, excluding the allocation to the state and the school district general fund that is exempted by statute. In 2022, the GO bonds issued on behalf of the developer towards the construction of an extended stay hotel at that same location were retired. The taxes generated by the TIF are now distributed to the developer. For the year ending December 31, 2024, the district generated $292,994.
- Downtown Hotel (2014-2034): 100% of the property tax generated on the increased value of the properties in the Downtown Hotel TIF is placed into a TIF fund, excluding the allocation to the state and the school district general fund that is exempted by statute. The base year for assessed valuation is 2011 and the base value is $2,352,884. For the year ended December 31, 2024, the district generated $155,399. The City has Inter-local agreements with USD #453 and Leavenworth County for the property tax TIFs.
- During 2020, three TIF agreements were added to the existing TIF Districts: Luxury Imports, Price Chopper, and the development at 615 Metropolitan. These projects are complete; but neither the sales tax nor property tax distributions exceeded 10% of the total amount abated in 2024 for these projects.

I. Adjustment to Prior Period Financial Statements

For the year ended December 31, 2024, management reevaluated certain lease agreements and determined that the agreements should be reported in accordance with GASB 87*, Leases.* Accordingly, right-of-use (ROU) assets less related lease liabilities reduced the City's Governmental Activities net position by $22,030.

	Governmental Activities
Net position, beginning of year as previously reported	$ 37,574,788
Lease - equipment	737,291
Lease liabilities	(759,321)
Net position, beginning of year as restated	$ 37,552,758

J. Subsequent Events

The City evaluated subsequent events through June 25, 2025, the date the financial statements were available to be issued. There were no subsequent events identified that would require adjustment to or disclosure in the financial statements.

Required Supplementary Information

City of Leavenworth, Kansas
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 19,710,495	$ 19,710,495	$ 18,059,984	$ (1,650,511)
Intergovernmental	386,697	386,697	349,058	(37,639)
Licenses and permits	436,555	436,555	393,455	(43,100)
Charges for services	1,772,842	1,772,842	1,926,767	153,925
Fines and forfeitures	483,000	483,000	379,624	(103,376)
Investment earnings	360,000	360,000	1,630,353	1,270,353
Miscellaneous	39,950	39,950	49,956	10,006
Total revenues	23,189,539	23,189,539	22,789,197	(400,342)
EXPENDITURES				
Current:				
General government	4,211,116	4,211,116	3,995,552	215,564
Public safety	15,950,110	15,950,110	15,406,657	543,453
Public works	2,783,578	2,783,578	2,699,544	84,034
Culture and recreation	18,300	18,300	37,934	(19,634)
Housing & urban redevelopment	59,568	59,568	58,582	986
Community and economic development	324,926	324,926	250,466	74,460
Debt service:				
Interest & fiscal charges	-	-	2,105	(2,105)
Capital outlay	18,000	18,000	6,908	11,092
Operating reserves	6,922,425	6,922,425	-	6,922,425
Total expenditures	30,288,023	30,288,023	22,457,748	7,830,275
Excess of revenues over (under) expenditures	(7,098,484)	(7,098,484)	331,449	7,429,933
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	-	2,070	2,070
Leases	-	-	56,390	56,390
Transfers in	-	-	358,970	358,970
Transfers out	(3,056,821)	(3,056,821)	(1,944,612)	1,112,209
Total other financing sources (uses)	(3,056,821)	(3,056,821)	(1,526,932)	1,529,889
Net change in fund balances	$ (10,155,305)	$ (10,155,305)	(1,195,483)	$ 8,959,822
Fund balances - beginning			12,014,419	
Fund balances , end of year - budget basis			10,818,936	
Adjustments to reconcile to GAAP				
Encumbrances, beginning of year			3,094	
Encumbrances, end of year			21,057	
Fund balances, end of year - GAAP Basis			$ 10,843,087	

City of Leavenworth, Kansas
Schedule of the City's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the collective net pension liability:										
KPERS	0.3246%	0.3179%	0.3334%	0.3407%	0.3471%	0.3433%	0.3378%	0.3288%	0.3237%	0.3682%
KP&F	1.0644%	1.0834%	1.0925%	1.1408%	1.1136%	1.1331%	1.1592%	1.1100%	1.2001%	1.2802%
City's proportionate share of the collective net pension liability	$ 23,862,081	$ 23,973,089	$ 22,383,771	$ 14,974,501	$ 19,750,719	$ 16,265,970	$ 15,861,352	$ 15,171,471	$ 16,153,560	$ 14,130,484
City's covered payroll	$ 14,591,486	$ 14,269,179	$ 13,056,912	$ 12,007,236	$ 11,569,854	$ 12,194,589	$ 11,964,248	$ 11,552,857	$ 11,250,704	$ 11,932,917
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	163.53%	168.01%	171.43%	124.71%	170.71%	133.39%	132.57%	131.32%	143.58%	118.42%
Plan fiduciary net position as a percentage of the total pension liability	69.73%	68.37%	69.75%	76.40%	66.30%	69.88%	68.87%	67.12%	65.10%	64.95%

City of Leavenworth, Kansas
Schedule of City's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 2,370,309	$ 2,222,123	$ 2,078,680	$ 2,027,729	$ 1,921,396	$ 1,829,172	$ 1,724,395	$ 1,608,389	$ 1,709,712	$ 1,785,936
Contributions in relation to the contractually required contribution	(2,370,309)	(2,222,123)	(2,078,680)	(2,027,729)	(1,921,396)	(1,829,172)	(1,724,395)	(1,608,389)	(1,709,712)	(1,785,936)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 14,920,903	$ 13,826,764	$ 12,914,686	$ 12,724,981	$ 11,569,854	$ 12,046,939	$ 12,066,257	$ 11,672,733	$ 11,235,594	$ 11,590,840
Contributions as a percentage of covered payroll	15.89%	16.07%	16.10%	15.94%	16.61%	15.18%	14.29%	13.78%	15.22%	15.41%

City of Leavenworth, Kansas
Schedule of the Library's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Library's proportion of the collective net pension liability	0.0317%	0.0229%	0.030%	0.031%	0.034%	0.034%	0.033%	0.033%	0.033%	0.030%
Library's proportionate share of the collective net pension liability	$ 673,933	$ 612,861	$ 595,419	$ 368,975	$ 585,490	$ 478,279	$ 453,093	$ 470,907	$ 510,628	$ 398,312
Library's covered payroll	$ 843,642	$ 791,866	$ 623,059	$ 660,315	$ 664,055	$ 656,550	$ 619,185	$ 584,240	$ 583,838	$ 554,714
Library's proportionate share of the collective net pension liability as a percentage of its covered payroll	79.88%	77.39%	95.56%	55.88%	88.17%	72.85%	73.18%	80.60%	87.46%	71.80%
Plan fiduciary net position as a percentage of the total pension liability	54.92%	70.55%	69.75%	76.40%	66.30%	69.88%	68.87%	67.12%	65.10%	64.95%

City of Leavenworth, Kansas
Schedule of Library's Contributions
Kansas Public Employees Retirement System
Last Nine Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 64,846	$ 54,935	$ 53,483	$ 51,808	$ 55,802	$ 54,673	$ 49,020	$ 50,853	$ 51,618	$ 52,587
Contributions in relation to the contractually required contribution	64,846	54,935	53,483	51,808	55,802	54,673	49,020	50,853	51,618	52,587
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Library's covered payroll	$ 843,642	$ 791,866	$ 623,059	$ 660,315	$ 664,055	$ 656,550	$ 619,185	$ 584,240	$ 679,554	$ 554,714
Contributions as a percentage of covered payroll	0.00%	0.00%	8.58%	7.85%	8.40%	8.33%	7.92%	8.70%	7.60%	9.48%

City of Leavenworth, Kansas
Schedule of Changes in Net Pension Liability and Related Ratios
Police and Fire Pension Plan
Last Ten Fiscal Years

Total Pension Liability	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	32,673	49,880	49,872	50,936	55,489	57,651	60,014	60,322	61,831	73,102
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	33,298	(525,918)	62,352	22,932	(198,022)	27,461	(17,933)	(29,788)	23,728	(305,853)
Changes of assumptions	-	-	-	7,746	118,337	(16,999)	18,979	97,084	-	-
Benefit payments, including refunds of member contributions	(89,896)	(105,206)	(118,664)	(115,489)	(139,625)	(140,777)	(138,869)	(136,916)	(134,794)	(151,091)
Net change in total pension liability	(23,925)	(581,244)	(6,440)	(33,875)	(163,821)	(72,664)	(77,809)	(9,298)	(49,235)	(383,842)
Total pension liability-beginning	1,134,046	1,715,290	1,721,730	1,755,605	1,919,426	1,992,090	2,069,899	2,079,197	2,128,432	2,512,274
Total pension-liability-ending (a)	$ 1,110,121	$ 1,134,046	$ 1,715,290	$ 1,721,730	$ 1,755,605	$ 1,919,426	$ 1,992,090	$ 2,069,899	$ 2,079,197	$ 2,128,432
Plan Fiduciary Net Position										
Contributions-employer	58,792	114,534	$ 29,383	$ 39,604	$ 37,489	$ 124,249	$ 121,272	$ 162,622	$ 163,144	$ 160,245
Contributions-employee	-	-	-	-	-	-	-	-	-	-
Contributions-nonemployer contributing member	-	-	-	-	-	-	-	-	-	-
Net investment income	21,784	18,925	5,398	873	3,843	11,803	9,107	3,417	1,266	846
Benefit payments, including refunds of member contributions	(89,896)	(105,206)	(118,664)	(115,489)	(139,625)	(140,777)	(138,869)	(136,916)	(134,794)	(151,091)
Administrative expenses	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(9,320)	28,253	(83,883)	(75,012)	(98,293)	(4,725)	(8,490)	29,123	29,616	10,000
Plan fiduciary net position-beginning	541,239	512,986	596,869	671,881	770,174	774,899	783,389	754,266	724,650	714,650
Plan fiduciary net position-ending (b)	$ 531,919	$ 541,239	$ 512,986	$ 596,869	$ 671,881	$ 770,174	$ 774,899	$ 783,389	$ 754,266	$ 724,650
Net pension liability-ending (a)-(b)	$ 578,202	$ 592,807	$ 1,202,304	$ 1,124,861	$ 1,083,724	$ 1,149,252	$ 1,217,191	$ 1,286,510	$ 1,324,931	$ 1,403,782
Plan fiduciary net position as a percentage of the total pension liability	47.92%	47.73%	29.91%	34.67%	38.27%	40.13%	38.90%	37.85%	36.28%	34.05%
Covered payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

City of Leavenworth, Kansas
Schedule of City Contributions
Police and Fire Pension Plan
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 67,471	$ 136,871	$ 128,028	$ 123,345	$ 130,804	$ 138,536	$ 104,627	$ 86,462	$ 91,608	$ 117,310
Actual contributions	58,792	114,534	29,383	39,604	37,489	124,249	121,272	162,622	163,144	160,245
Contribution deficiency (excess)	$ 8,679	$ 22,337	$ 98,645	$ 83,741	$ 93,315	$ 14,287	$ (16,645)	$ (76,160)	$ (71,536)	$ (42,935)
Covered payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date:
Actuarially determined contribution rates are calculated as of December 31, 2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Open level dollar 10 year basis
Asset valuation method	Fair Value of Assets
Inflation	2.5%
Salary increases	N/A-closed plan
Investment rate of return	2.5% net of investment expenses
Cost of Living Increases	2.5%
Interest rates:	
Discount Rate	2.5%
Expected Long Term Rate of Return	2.5%
Municipal Bond rate	N/A
Retirement age	N/A-closed plan
Mortality	PubG-2010 Mortality Table Projected Generationally from 2010 with the Mortality Improvement Scale MP-2021.
Changes since prior report	Mortality table was updated from he PubG-2010 Mortality Table Projected Generationally from 2010 with the Mortaity Improvement Scale MP-2020 to the PubG-2010 Mortality Table Projected Generationally from 2010 with the Mortality Scale MP-2021.

City of Leavenworth, Kansas
Schedule of Investment Returns
Police and Fire Pension Plans
Last Ten Fiscal Years

Fiscal Year	Annual Money-weighted Rate of Return
2024	0.00%
2023	0.00%
2022	0.00%
2021	0.14%
2020	0.00%
2019	0.00%
2018	0.00%
2017	0.00%
2016	0.15%
2015	0.14%

City of Leavenworth, Kansas
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Seven Fiscal Years

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	$ 421,746	$ 348,057	$ 551,570	$ 567,528	$ 369,404	$ 305,409	$ 389,159
Interest	278,566	245,625	175,385	162,362	248,550	275,867	284,813
Benefits paid	(214,095)	(178,762)	(209,161)	(177,448)	(175,496)	(173,928)	(233,622)
Differences between expected and actual experience	1,522,577	590,458	(1,337,158)	(290,284)	(711,757)	(171,361)	(1,778,825)
Changes of assumptions	534,620	203,662	(1,088,606)	(94,143)	106,718	613,123	(174,876)
Net change in total OPEB liability	2,543,414	1,209,040	(1,907,970)	168,015	(162,581)	849,110	(1,513,351)
Total OPEB liability-beginning	6,648,386	5,439,346	7,347,316	7,179,301	7,341,882	6,492,772	8,006,123
Total OPEB-liability-ending	$ 9,191,800	$ 6,648,386	$ 5,439,346	$ 7,347,316	$ 7,179,301	$ 7,341,882	$ 6,492,772
Covered payroll	$ 14,741,105	$ 14,671,099	$ 12,792,418	$ 12,007,236	$ 11,569,854	$ 12,046,939	$ 11,238,903
Total OPEB liability as a percentage of covered-employee payroll	62.35%	45.32%	42.52%	61.19%	62.05%	60.94%	57.77%
Actuarially determined contribution	$ 214,095	$ 178,762	$ 209,161	$ 177,448	$ 175,496	$ 173,928	$ 233,622
Actual contribution	$ 214,095	$ 178,762	$ 209,161	$ 177,448	$ 175,496	$ 173,928	$ 233,622
Contributions as a percentage of covered-employee payroll	1.45%	1.22%	1.64%	1.48%	1.52%	1.44%	2.08%

Notes to Schedule:
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.
*Data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.

City of Leavenworth, Kansas
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Seven Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	$ 16,030	$ 15,772	$ 25,308	$ 24,916	$ 21,911	$ 20,579	$ 20,355
Interest	6,263	5,563	3,963	7,597	14,004	10,795	6,567
Benefits paid	(12,834)	(12,000)	(10,859)	(70,301)	(46,881)	(67,814)	(51,867)
Effect on economic/demographic gains or losses	(26,436)	5,900	(5,290)	(152,787)	(53,792)	139,941	130,814
Changes of assumptions	233	(668)	(29,315)	328	17,127	5,973	(2,686)
Net change in total OPEB liability	(16,744)	14,567	(16,193)	(190,247)	(47,631)	109,474	103,183
Total OPEB liability-beginning	161,925	147,358	163,551	353,798	401,428	291,954	188,771
Total OPEB-liability-ending	$ 145,181	$ 161,925	$ 147,358	$ 163,551	$ 353,797	$ 401,428	$ 291,954
Covered employee payroll	$ 6,277,501	$ 6,043,708	$ 6,047,419	$ 6,043,270	$ 5,949,759	$ 5,736,648	$ 5,606,308
Total OPEB liability as a percentage of covered-employee payroll	2.31%	2.68%	2.44%	2.71%	5.95%	7.00%	5.21%
Actuarially determined contribution	$ 12,834	$ 12,000	$ 10,859	$ 70,301	$ 46,881	$ 67,814	$ 51,867
Actual contribution	$ 12,834	$ 12,000	$ 10,859	$ 70,301	$ 46,881	$ 67,814	$ 51,867
Contributions as a percentage of covered-employee payroll	0.20%	0.20%	0.18%	1.16%	0.79%	1.18%	0.93%

Notes to Schedule:

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

*Data became available with the inception of GASB 75 during fiscal yar 2018, therefore 10 years of data is unavailable.

Combining and Individual Fund Statements and Schedules

City of Leavenworth, Kansas

Nonmajor Governmental Funds

December 31, 2024

Special Revenue Funds

Fund Descriptions

The American Rescue Plan Act (ARPA) Fund

To account for the City's allotment from the U.S. Department of the Treasury that are to be used to support the City's response and recovery from the COVID-19 public health emergency.

Convention & Visitors Bureau Fund

To account for the receipt and disbursement of transient guest taxes for the promotion of tourism and conventions.

Probation Fund

To account for the receipt and disbursement of resources related to probations services.

Police Seizure Fund

To account for expenditures relating to the operation of police drug abuse abatement programs. Resources are generated from proceeds of the sale of assets confiscated or seized during drug enforcement activities.

Police Grants Fund

To account for the receipt and disbursement of federal and state grants for various police programs.

911 Fund

To account for the receipt and disbursement of the 911 operations. Resources are mainly from franchise taxes.

Streets Fund

To account for the operational expenditures of the Street Department. Resources are mainly from a state fuel tax.

Recreation Fund

To account for recreational program expenditures. Resources are generated by a tax levy and program user fees.

Special Park Gift Fund

To account for public contributions for improvements to City parks.

Nonmajor Governmental Funds (Continued)

Economic Development Fund

To account for the economic development operations expenditures. Resources are generated from a 15% allocation of the Countywide sales tax

Business & Technology Park Fund

To account for the general maintenance and activities related to the business and technology park.

Housing Fund

To account for monies relating to the maintenance and operation of the public housing facility and housing programs for low income persons. Financing is provided by user fees and federal financial assistance.

Community Development Fund

To account for monies expended for community development block grant programs and various other community improvements. Financing is provided by federal financial assistance.

Community Grant Fund

To account for monies provided to community organizations and small businesses to aid in the mitigation of the impact of COVID-19.

CIP Sales Tax Fund

To account for the activities related to the 1/2 cent permanent sales tax dedicated for capital improvements.

Countywide Sales Tax Fund

To account for sales and use tax that is collected on sales that occurred in Leavenworth County and has been submitted to the City for its use. The funds are transferred to the City's capital projects funds and the Debt Service Fund as needed to pay for capital improvements and to pay the principal and interest on long-term debt that was incurred to fund capital improvements

Tax Increment Auto Incentive Fund

To account for the transactions related to auto economic development incentives.

Tax Increment Hotels Fund

To account for the transactions related to hotel economic development incentives.

Tax Increment Retail Fund

To account for the receipt and disbursement of sales tax revenues related to the 2001 tax increment financing project.

City of Leavenworth, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

.

	Special Revenue Funds - Page 1 of 2								
	ARPA Fund	Convention & Visitors Bureau Fund	Probation Fund	Police Seizure Fund	Police Grants Fund	911 Fund	Streets Fund	Recreation Fund	Special Park Gift Fund
ASSETS									
Cash and cash equivalents	$ 832,479	$ 829,853	$ 112,580	$ 93,102	$ -	$ -	$ 420,581	$ 99,334	$ 65,376
Tenant deposits	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	500,637	-
Accounts	-	-	14,250	-	-	-	-	23	-
Interest	-	-	-	1,049	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	222,382	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	-	-	-	-
Total assets	$ 832,479	$ 829,853	$ 126,830	$ 94,151	$ 222,382	$ -	$ 420,581	$ 599,994	$ 65,376
LIABILITIES									
Accounts payable	$ -	$ 5,856	$ 5,333	$ -	$ -	$ -	$ 5,826	$ 52,169	$ 1,481
Accrued liabilities	-	6,790	2,839	-	-	-	20,493	47,187	-
Tenant deposits	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	218,402	-	-	-	-
Unearned revenues	832,479	-	-	-	-	-	-	-	-
Total liabilities	832,479	12,646	8,172	-	218,402	-	26,319	99,356	1,481
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues:									
Property taxes	-	-	-	-	-	-	-	500,637	-
Leases	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	500,637	-
FUND BALANCES									
Restricted	-	817,207	118,658	94,151	3,980	-	394,262	1	63,895
Total fund balances	-	817,207	118,658	94,151	3,980	-	394,262	1	63,895
Total liabilities, deferred inflows of resources, and fund balances	$ 832,479	$ 829,853	$ 126,830	$ 94,151	$ 222,382	$ -	$ 420,581	$ 599,994	$ 65,376

City of Leavenworth, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

.

Special Revenue Funds - Page 2 of 2

	Economic Development Fund	Bus & Tech Park Fund	Housing Fund	Community Development Fund	Community Grant Fund	CIP Sales Tax Fund	Countywide Sales Tax Fund	TIF Funds	Total Nonmajor Governmental Funds
ASSETS									
Cash and cash equivalents	$ 1,627,944	$ 328,088	$ 1,545,340	$ -	$ -	$ 585,489	$ 1,777,503	$ 707,093	$ 9,024,762
Tenant deposits	-	-	33,064	-	-	-	-	-	33,064
Taxes	101,229	-	-	-	-	426,583	573,632	98,140	1,700,221
Accounts	-	-	41	-	-	-	-	-	14,314
Interest	-	-	236	-	-	-	-	-	1,285
Leases	-	-	368,086	-	-	-	-	-	368,086
Due from other governments	-	-	220,975	54,246	-	-	-	-	497,603
Other assets	-	-	23,783	-	-	-	-	-	23,783
Assets held for resale	1,260,400	-	-	-	-	-	-	-	1,260,400
Total assets	$ 2,989,573	$ 328,088	$ 2,191,525	$ 54,246	$ -	$ 1,012,072	$ 2,351,135	$ 805,233	$ 12,923,518
LIABILITIES									
Accounts payable	$ 15,613	$ 16	$ 245,441	$ 5,906	$ -	$ -	$ -	$ -	$ 337,641
Accrued liabilities	1,630	-	16,864	-	-	-	-	-	95,803
Tenant deposits	-	-	32,929	-	-	-	-	-	32,929
Due to other funds	-	-	-	48,340	-	-	-	-	266,742
Unearned revenues	-	-	27,376	-	-	-	-	-	859,855
Total liabilities	17,243	16	322,610	54,246	-	-	-	-	1,592,970
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenues:									
Property taxes	-	-	-	-	-	-	-	-	500,637
Leases	-	-	359,482	-	-	-	-	-	359,482
Total deferred inflows of resources	-	-	359,482	-	-	-	-	-	860,119
FUND BALANCES									
Restricted	2,972,330	328,072	1,509,433	-	-	1,012,072	2,351,135	805,233	10,470,429
Total fund balances	2,972,330	328,072	1,509,433	-	-	1,012,072	2,351,135	805,233	10,470,429
Total liabilities, deferred inflows of resources, and fund balances	$ 2,989,573	$ 328,088	$ 2,191,525	$ 54,246	$ -	$ 1,012,072	$ 2,351,135	$ 805,233	$ 12,923,518

City of Leavenworth, Kansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

Special Revenue Funds - Page 1 of 2

	ARPA Fund	Convention & Visitors Bureau Fund	Probation Fund	Police Seizure Fund	Police Grants Fund	911 Fund	Streets Fund	Recreation Fund	Special Park Gift Fund
REVENUES									
Taxes	$ -	$ 838,721	$ -	$ -	$ -	$ -	$ -	$ 545,634	$ -
Intergovernmental	1,966,306	-	90,190	-	235,912	-	1,160,227	90,190	-
Charges for services	-	8,235	93,832	9,293	-	-	-	441,711	15,076
Investment earnings	-	-	-	3,156	-	-	-	-	-
Miscellaneous	-	24,939	10	425	-	-	754	8,850	11,468
Total revenues	1,966,306	871,895	184,032	12,874	235,912	-	1,160,981	1,086,385	26,544
EXPENDITURES									
Current:									
General government	120,000	730,928	193,749	-	-	-	-	-	-
Public safety	-	-	-	4,585	13,903	-	-	-	-
Public works	3,750	-	-	-	-	-	1,239,795	-	-
Culture and recreation	-	-	-	-	-	-	-	3,129,121	22,228
Housing and urban redevelopment	-	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-	-
Debt service									
Interest and fiscal charges	-	-	171	-	-	-	-	-	-
Capital outlay	650	-	-	-	222,010	-	18,968	-	-
Total expenditures	124,400	730,928	193,920	4,585	235,913	-	1,258,763	3,129,121	22,228
expenditures	1,841,906	140,967	(9,888)	8,289	(1)	-	(97,782)	(2,042,736)	4,316
OTHER FINANCING SOURCES (USES)									
Sale of assets	-	-	-	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	29,802	2,820	-
Lease proceeds	-	-	4,591	-	-	-	-	7,527	-
Transfers in	-	-	-	-	-	-	-	1,812,682	-
Transfers out	(1,841,906)	-	-	(11,607)	-	-	-	-	-
Total - other financing sources (uses)	(1,841,906)	-	4,591	(11,607)	-	-	29,802	1,823,029	-
Net change in fund balances	-	140,967	(5,297)	(3,318)	(1)	-	(67,980)	(219,707)	4,316
Fund balance - beginning	-	676,240	123,955	97,469	3,981	-	462,242	219,708	59,579
Fund balances - ending	$ -	$ 817,207	$ 118,658	$ 94,151	$ 3,980	$ -	$ 394,262	$ 1	$ 63,895

City of Leavenworth, Kansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

Special Revenue Funds - Page 2 of 2

	Economic Development Fund	Bus & Tech Park Fund	Housing Fund	Community Development Fund	Community Grant Fund	CIP Sales Tax Fund	Countywide Sales Tax Fund	TIF Funds	Total Nonmajor Governmental Funds
REVENUES									
Taxes	$ 571,786	$ -	$ -	$ -	$ -	$ 2,518,683	$ 3,240,120	$ 1,435,178	$ 9,150,122
Intergovernmental	-	-	3,212,274	345,080	-	-	-	-	7,100,179
Charges for services	-	-	582,526	-	-	-	-	-	1,150,673
Investment earnings	-	-	10,183	-	-	-	-	-	13,339
Miscellaneous	-	-	34,638	-	-	-	-	-	81,084
Total revenues	571,786	-	3,839,621	345,080	-	2,518,683	3,240,120	1,435,178	17,495,397
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	1,044,677
Public safety	-	-	-	-	-	-	-	-	18,488
Public works	-	-	-	-	-	-	-	-	1,243,545
Culture and recreation	-	-	-	-	-	-	-	-	3,151,349
Housing and urban redevelopment	-	-	3,343,917	273,060	-	-	-	-	3,616,977
Community and economic development	275,535	9,774	-	-	-	-	-	1,409,421	1,694,730
Debt service									
Interest and fiscal charges	-	-	-	-	-	-	-	-	171
Capital outlay	-	-	310,705	72,020	-	-	-	-	624,353
Total expenditures	275,535	9,774	3,654,622	345,080	-	-	-	1,409,421	11,394,290
expenditures	296,251	(9,774)	184,999	-	-	2,518,683	3,240,120	25,757	6,101,107
OTHER FINANCING SOURCES (USES)									
Sale of assets	-	-	-	-	-	32,195	-	-	32,195
Insurance proceeds	-	-	-	-	-	24,357	-	-	56,979
Lease proceeds	-	-	5,782	-	-	-	-	-	17,900
Transfers in	-	-	-	-	-	10,639	378,938	-	2,202,259
Transfers out	-	-	-	-	-	(3,694,315)	(4,517,356)	-	(10,065,184)
Total - other financing sources (uses)	-	-	5,782	-	-	(3,627,124)	(4,138,418)	-	(7,755,851)
Net change in fund balances	296,251	(9,774)	190,781	-	-	(1,108,441)	(898,298)	25,757	(1,654,744)
Fund balance - beginning	2,676,079	337,846	1,318,652	-	-	2,120,513	3,249,433	779,476	12,125,173
Fund balances - ending	$ 2,972,330	$ 328,072	$ 1,509,433	$ -	$ -	$ 1,012,072	$ 2,351,135	$ 805,233	$ 10,470,429

City of Leavenworth, Kansas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 2,082,029	$ 2,082,029	$ 2,089,154	$ 7,125
Total revenues	2,082,029	2,082,029	2,089,154	7,125
EXPENDITURES				
Debt service:				
Principal retirement	2,890,000	2,890,000	2,890,000	-
Interest and fiscal charges	520,450	520,450	520,449	1
Operating reserves	204,521	204,521	-	204,521
Total expenditures	3,614,971	3,614,971	3,410,449	204,522
Excess (deficiency) of revenues over (under) expenditures	(1,532,942)	(1,532,942)	(1,321,295)	211,647
OTHER FINANCING SOURCES (USES)				
Transfers in	1,400,091	1,400,091	1,200,000	(200,091)
Total - other financing sources (uses)	1,400,091	1,400,091	1,200,000	(200,091)
Net change in fund balances	$ (132,851)	$ (132,851)	(121,295)	$ 11,556
Fund balances - beginning			290,079	
Fund balances - ending			$ 168,784	

City of Leavenworth, Kansas
Convention & Visitors Bureau Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Transient guest tax	$ 650,000	$ 650,000	$ 838,721	$ 188,721
Charges for services	6,000	6,000	8,235	2,235
Miscellaneous	30,500	30,500	24,939	(5,561)
Total revenues	686,500	686,500	871,895	185,395
EXPENDITURES				
Current:				
General government	704,501	704,501	730,928	(26,427)
Operating reserves	637,223	637,223	-	637,223
Total expenditures	1,341,724	1,341,724	730,928	610,796
Net change in fund balances	$ (655,224)	$ (655,224)	140,967	$ 796,191
Fund balances - beginning			676,240	
Fund balances - ending			$ 817,207	

City of Leavenworth, Kansas
Probation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	$ 86,991	$ 86,991	$ 90,190	$ 3,199
Charges for services	153,000	153,000	93,832	(59,168)
Miscellaneous	-	-	10	10
Total revenues	239,991	239,991	184,032	(55,959)
EXPENDITURES				
Current:				
General government	242,081	242,081	193,749	48,332
Debt service:				
Interest & fiscal charges			171	(171)
Operating reserves	104,177	104,177	-	104,177
Total expenditures	346,258	346,258	190,875	155,383
Net change in fund balances	$ (106,267)	$ (106,267)	(5,297)	$ 97,878
Fund balances - beginning			123,955	
Fund balances - ending			$ 118,658	

City of Leavenworth, Kansas
Streets Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	$ 1,144,860	$ 1,144,860	$ 1,160,227	$ 15,367
Miscellaneous	3,000	3,000	754	(2,246)
Total revenues	1,147,860	1,147,860	1,160,981	13,121
EXPENDITURES				
Current:				
Public works	1,426,694	1,426,694	1,220,827	186,899
Capital outlay	-	-	18,968	(18,968)
Total expenditures	1,426,694	1,426,694	1,239,795	167,931
Excess (deficiency) of revenues over (under) expenditures	(278,834)	(278,834)	(78,814)	181,052
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	-	29,802	29,802
Total - other financing sources (uses)	173,487	173,487	29,802	(143,685)
Net change in fund balances	$ (105,347)	$ (105,347)	(49,012)	$ 37,367
Fund balances - beginning			462,242	
Fund balances , end of year - budget basis			413,230	
Adjustments to reconcile to GAAP				
Encumbrances, beginning of year			(18,968)	
Encumbrances, end of year			-	
Fund balances, end of year - GAAP Basis			$ 394,262	

City of Leavenworth, Kansas
Recreation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 543,262	$ 543,262	$ 545,634	$ 2,372
Intergovernmental	86,991	86,991	90,190	3,199
Charges for services	537,100	637,100	441,711	(195,389)
Miscellaneous	9,700	9,700	8,850	(850)
Total revenues	1,177,053	1,277,053	1,086,385	(190,668)
EXPENDITURES				
Current:				
Culture and recreation	3,132,156	3,332,156	3,129,121	203,035
Total expenditures	3,132,156	3,332,156	3,129,121	203,035
Excess (deficiency) of revenues over (under) expenditures	(1,955,103)	(2,055,103)	(2,042,736)	12,367
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	-	2,820	2,820
Leases proceeds			7,527	7,527
Transfers In	1,768,887	1,835,395	1,812,682	(22,713)
Total - other financing sources (uses)	1,768,887	1,835,395	1,823,029	(12,366)
Net change in fund balances	$ (186,216)	$ (219,708)	(219,707)	$ 1
Fund balances - beginning			219,708	
Fund balances , end of year - budget basis			1	
Adjustments to reconcile to GAAP				
Encumbrances, beginning of year			-	
Encumbrances, end of year			-	
Fund balances, end of year - GAAP Basis			$ 1	

City of Leavenworth, Kansas
Economic Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 631,865	$ 631,865	$ 571,786	$ (60,079)
	631,865	631,865	571,786	(60,079)
EXPENDITURES				
Current:				
Community and economic development	435,919	435,919	275,535	160,384
Reserves	1,474,980	1,474,980	-	1,474,980
Total expenditures	1,910,899	1,910,899	275,535	1,635,364
Net change in fund balances	$ (1,279,034)	$ (1,279,034)	296,251	$ 1,575,285
Fund balances - beginning			2,676,079	
Fund balances - ending			$ 2,972,330	

City of Leavenworth, Kansas
Business & Technology Park Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Community and economic development	36,500	36,500	9,774	26,726
Operating Reserves	285,731	285,731	-	285,731
Total expenditures	322,231	322,231	9,774	312,457
Net change in fund balances	$ (322,231)	$ (322,231)	(9,774)	$ 312,457
Fund balances - beginning			337,846	
Fund balances - ending			$ 328,072	

City of Leavenworth, Kansas
CIP Sales Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 2,785,727	$ 2,785,727	$ 2,518,683	$ (267,044)
Total revenues	2,785,727	2,785,727	2,518,683	(267,044)
EXPENDITURES				
Current:				
Capital outlay	-	-	-	-
Reserves	833,959	833,959	-	833,959
Total expenditures	833,959	833,959	-	833,959
Excess (deficiency) of revenues over (under) expenditures	1,951,768	1,951,768	2,518,683	566,915
OTHER FINANCING SOURCES (USES)				
Sales of assets	-	-	32,195	32,195
Insurance proceeds	-	-	24,357	24,357
Transfers out	(3,683,840)	(3,683,840)	(3,694,315)	(10,475)
Total other financing sources (uses)	(3,683,840)	(3,683,840)	(3,627,124)	56,716
Net change in fund balances	$ (1,732,072)	$ (1,732,072)	(1,108,441)	$ 623,631
Fund balances - beginning			2,120,513	
Fund balances - ending			$ 1,012,072	

City of Leavenworth, Kansas
Countywide Sales Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	$ 3,580,569	$ 3,580,569	$ 3,240,120	$ (340,449)
Total revenues	3,580,569	3,580,569	3,240,120	(340,449)
EXPENDITURES				
Current:				
Capital outlay	-	-	-	-
General Reserves	99,916	99,916	-	99,916
Total expenditures	99,916	99,916	-	99,916
Excess (deficiency) of revenues over (under) expenditures	3,480,653	3,480,653	3,240,120	(240,533)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	378,938	378,938
Transfers out	(5,806,587)	(5,806,587)	(4,517,356)	1,289,231
Total other financing sources (uses)	(5,806,587)	(5,806,587)	(4,138,418)	1,668,169
Net change in fund balances	$ (2,325,934)	$ (2,325,934)	(898,298)	$ 1,427,636
Fund balances - beginning			3,249,433	
Fund balances - ending			$ 2,351,135	

City of Leavenworth, Kansas
Tax Increment - Auto Incentive Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Tax increment taxes	$ 787,894	$ 787,894	$ 566,507	$ (221,387)
Total revenues	787,894	787,894	566,507	(221,387)
EXPENDITURES				
Current:				
Community and economic development	879,906	879,906	726,419	153,487
Total expenditures	879,906	879,906	726,419	153,487
Net change in fund balances	$ (92,012)	$ (92,012)	(159,912)	$ (67,900)
Fund balances - beginning			227,984	
Fund balances - ending			$ 68,072	

City of Leavenworth, Kansas
Tax Increment - Hotels Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Tax increment taxes	$ 515,000	$ 515,000	$ 780,752	$ 265,752
Total revenues	515,000	515,000	780,752	265,752
EXPENDITURES				
Current:				
Community and economic development	766,235	766,235	593,612	172,623
General Reserves	364,781	364,781	-	364,781
Total expenditures	1,131,016	1,131,016	593,612	537,404
Net change in fund balances	$ (616,016)	$ (616,016)	187,140	$ 803,156
Fund balances - beginning			535,478	
Fund balances - ending			$ 722,618	

City of Leavenworth, Kansas
Tax Increment - Retail Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Tax increment taxes	$ 136,000	$ 136,000	$ 87,919	$ (48,081)
Total revenues	136,000	136,000	87,919	(48,081)
EXPENDITURES				
Current:				
Community and economic development	144,124	144,124	89,390	54,734
Total expenditures	144,124	144,124	89,390	54,734
Net change in fund balances	$ (8,124)	$ (8,124)	(1,471)	$ 6,653
Fund balances - beginning			16,014	
Fund balances - ending			$ 14,543	

Statistical Section

Statistical Section

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

Contents	Page
Financial Trends *These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*	92-96
Revenue Capacity *These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.*	97-101
Debt Capacity *These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*	102-105
Demographic and Economic Information *These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*	106-107
Operating Information *These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.*	108-110

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

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net invested in capital assets	$ 38,894,256	$ 36,850,763	$ 43,804,306	$ 37,978,770	$ 37,906,629	$ 41,755,377	$ 36,019,843	$ 35,471,153	$ 37,991,201	$ 39,755,439
Restricted	4,318,029	5,441,382	6,505,234	8,271,724	9,777,992	6,259,773	7,151,510	14,218,483	12,415,252	10,639,213
Unrestricted	(11,464,656)	(11,091,415)	(12,840,376)	(19,160,039)	(23,454,522)	(18,476,680)	(12,332,931)	(15,300,638)	(12,831,665)	(13,506,457)
Total governmental activities net position	$ 31,747,629	$ 31,200,730	$ 37,469,164	$ 27,090,455	$ 24,230,099	$ 29,538,470	$ 30,838,422	$ 34,388,998	$ 37,574,788	$ 36,888,195
Business-type activities										
Net invested in capital assets	$ 6,502,358	$ 7,732,377	$ 8,154,554	$ 8,435,825	$ 8,500,038	$ 9,006,370	$ 8,046,587	$ 7,830,983	$ 12,951,471	$ 12,402,865
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,185,510	821,504	504,747	2,054,060	3,131,520	3,989,126	7,476,781	8,919,105	7,252,126	9,633,020
Total business-type activities net position	$ 7,687,868	$ 8,553,881	$ 8,659,301	$ 10,489,885	$ 11,631,558	$ 12,995,496	$ 15,523,368	$ 16,750,088	$ 20,203,597	$ 22,035,885
Primary government										
Net invested in capital assets	$ 45,396,614	$ 44,583,140	$ 51,958,860	$ 46,414,595	$ 46,406,667	$ 50,761,747	$ 44,066,430	$ 43,302,136	$ 50,942,672	$ 52,158,304
Restricted	4,318,029	5,441,382	6,505,234	8,271,724	9,777,992	6,259,773	7,151,510	14,218,483	12,415,252	10,639,213
Unrestricted	(10,279,146)	(10,269,911)	(12,335,629)	(17,105,979)	(20,323,002)	(14,487,554)	(4,856,150)	(6,381,533)	(5,579,539)	(3,873,437)
Total primary government net position	$ 39,435,497	$ 39,754,611	$ 46,128,465	$ 37,580,340	$ 35,861,657	$ 42,533,966	$ 46,361,790	$ 51,139,086	$ 57,778,385	$ 58,924,080

City of Leavenworth, Kansas
Changes in Net Position
Last Ten Fiscal years

(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	$ 4,385,410	$ 3,582,125	$ 4,725,105	$ 3,420,563	$ 4,595,355	$ 5,287,720	$ 6,663,152	$ 5,311,393	$ 5,716,119	$ 5,255,888
Public safety	11,467,939	12,819,901	12,409,485	12,313,792	13,470,550	14,002,745	12,158,406	14,819,306	16,290,284	18,110,074
Public works	4,146,573	3,476,393	7,359,726	8,134,057	9,370,447	7,418,335	7,483,771	7,388,140	8,101,896	8,590,032
Culture and recreation	3,282,317	3,864,795	3,595,821	2,807,665	4,309,317	2,739,289	3,018,811	3,757,762	3,763,013	4,237,315
Housing and urban redevelopment	3,872,406	4,716,419	4,836,524	2,477,772	2,753,076	2,922,574	3,451,547	3,777,000	3,676,763	3,893,684
Community and economic development	-	-	-	3,450,479	1,759,370	2,618,787	2,934,105	1,713,059	2,442,071	2,368,558
Unallocated depreciation expense	3,635,561	3,790,328	-	2,014,075	98,042	185,277	171,079	177,169	172,798	169,084
Interest & fiscal charges on long-term debt	620,490	628,329	687,714	582,720	693,730	795,949	821,614	774,345	603,034	814,096
Total governmental activities expenses	31,410,696	32,878,290	33,614,375	35,201,123	37,049,887	35,970,676	36,702,485	37,718,174	40,765,978	43,438,731
Business-type activities:										
Sewer	4,148,953	4,123,179	4,709,551	4,480,655	4,903,799	4,715,060	4,218,047	4,681,494	4,575,305	5,464,981
Storm Water	-	-	-	3,172	240,036	780,261	261,591	480,997	545,258	508,485
Refuse	1,931,036	1,809,659	1,963,188	1,934,057	1,886,380	1,921,485	2,026,859	2,374,018	1,928,537	2,531,874
Total business-type activities expenses	6,079,989	5,932,838	6,672,739	6,417,884	7,030,215	7,416,806	6,506,497	7,536,509	7,049,100	8,505,340
Total primary government expenses	$ 37,490,685	$ 38,811,128	$ 40,287,114	$ 41,619,007	$ 44,080,102	$ 43,387,482	$ 43,208,982	$ 45,254,683	$ 47,815,078	$ 51,944,071
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 1,948,419	$ 2,063,853	$ 1,894,875	$ 1,406,657	$ 1,406,942	$ 1,421,292	$ 2,124,774	$ 1,415,423	$ 1,408,987	$ 1,365,087
Public safety	588,486	452,930	392,715	382,530	199,487	141,703	143,187	118,752	177,312	158,475
Public works	1,244,162	896,938	2,618,014	1,913,001	1,139,509	925,109	799,569	1,707,305	1,595,105	1,269,106
Culture and recreation	670,945	705,652	710,596	681,841	629,319	172,053	347,354	497,453	510,155	457,803
Housing and urban redevelopment	602,145	506,280	563,009	548,668	557,736	494,935	495,821	480,904	531,267	579,535
Community and economic development	-	-	-	-	16,695	21,382	25,860	4,042	23,678	34,364
Operating grants and contributions	3,459,665	4,031,401	3,686,980	3,595,712	3,505,040	10,919,423	4,317,301	3,490,242	5,815,699	6,189,286
Capital grants and contributions	1,534,648	970,391	4,885,013	1,416,286	482,388	723,868	1,273,355	1,165,104	3,484,156	2,119,836
Total governmental activities program revenues	10,048,470	9,627,445	14,751,202	9,944,695	7,937,116	14,819,765	9,527,221	8,879,225	13,546,359	12,173,492
Business-type activities:										
Charges for services:										
Sewer	4,076,766	4,176,334	4,323,162	4,513,874	4,527,020	4,770,014	4,994,686	5,056,165	5,019,346	5,459,281
Storm Water	-	-	-	1,407,065	1,237,601	1,285,178	1,285,074	1,380,011	1,327,111	1,334,428
Refuse	1,882,466	1,896,702	1,962,730	2,014,217	2,164,811	2,299,782	2,322,260	2,306,614	2,337,785	2,329,639
Operating grants and contributions	-	-	-	-	-	-	-	-	7,500	-
Capital grants and contributions	-	772,325	512,256	396,881	143,171	194,459	338,465	-	342,336	-
Total business-type activities program revenues	5,959,232	6,845,361	6,798,148	8,332,037	8,072,603	8,549,433	8,940,485	8,742,790	9,034,078	9,123,348
Total primary government program revenues	$ 16,007,702	$ 16,472,806	$ 21,549,350	$ 18,276,732	$ 16,009,719	$ 23,369,198	$ 18,467,706	$ 17,622,015	$ 22,580,437	$ 21,296,840
Net (expense)/revenue										
Governmental activities	$ (21,362,226)	$ (23,250,845)	$ (18,863,173)	$ (25,256,428)	$ (29,112,771)	$ (21,150,911)	$ (27,175,264)	$ (28,838,949)	$ (27,219,619)	$ (31,265,239)
Business-type activities	(120,757)	912,523	125,409	1,914,153	1,042,388	1,132,627	2,433,988	1,206,281	1,984,978	618,008
Total primary government net expense	$ (21,482,983)	$ (22,338,322)	$ (18,737,764)	$ (23,342,275)	$ (28,070,383)	$ (20,018,284)	$ (24,741,276)	$ (27,632,668)	$ (25,234,641)	$ (30,647,231)

City of Leavenworth, Kansas
Changes in Net Position - continued
Last Ten Fiscal years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	$ 5,186,156	$ 5,477,712	$ 5,502,436	$ 5,621,684	$ 5,923,991	$ 6,371,982	$ 6,685,687	$ 6,679,368	$ 7,458,253	$ 7,331,006
Franchise taxes	2,676,007	2,802,922	2,796,945	2,880,135	2,794,211	2,599,791	2,748,361	3,280,218	3,041,520	2,905,759
Sales taxes	11,138,851	11,705,083	13,452,291	14,007,389	14,814,018	15,340,357	16,830,857	17,716,291	17,544,375	17,323,785
Motor vehicle taxes	1,074,498	729,991	714,825	764,659	767,641	800,234	863,278	840,458	835,307	863,341
Other taxes	1,812,641	1,858,533	341,317	414,264	520,722	375,020	620,147	641,962	701,463	838,720
Intergovernmental revenue not restricted to specific programs	98,849		-	-	-	-	-	-	-	-
Gain on sale of capital assets	-	52,397	36,438	-	-	39,555	49,158	209,860	140,475	270,235
Investment earnings	21,192	30,963	123,383	212,681	370,343	139,513	47,112	499,174	1,732,847	1,893,832
Miscellaneous	-	-	39,010	565,149	1,061,489	800,713	716,714	333,782	332,270	376,474
Transfers	70,185	47,345	47,345	-	-	(7,883)	(86,098)	(11,500)	(1,451,424)	(1,202,476)
Total governmental activities	22,078,379	22,704,946	23,053,990	24,465,961	26,252,415	26,459,282	28,475,216	30,189,613	30,335,086	30,600,676
			-							
Business-type activities:										
Gain on sale of capital assets	-	834	4,908	-	-	-	-	-	-	-
Miscellaneous	-	-	22,448	15,147	99,285	223,428	7,786	8,940	17,107	11,804
Transfers	(70,185)	(47,345)	(47,345)	-	-	7,883	86,098	11,500	1,451,424	1,202,476
Total business-type activities	(70,185)	(46,511)	(19,989)	15,147	99,285	231,311	93,884	20,440	1,468,531	1,214,280
Total primary government	$ 22,008,194	$ 22,658,435	$ 23,034,001	$ 24,481,108	$ 26,351,700	$ 26,690,593	$ 28,569,100	$ 30,210,053	$ 31,803,617	$ 31,814,956
Change in net position										
Governmental activities	$ 716,153	$ (545,899)	$ 4,190,817	$ (790,467)	$ (2,860,356)	$ 5,308,371	$ 1,299,952	$ 1,350,664	$ 3,115,467	$ (664,563)
Business-type activities	(190,942)	866,012	105,420	1,929,300	1,141,673	1,363,938	2,527,872	1,226,721	3,453,509	1,832,288
Total primary government	$ 525,211	$ 320,113	$ 4,296,237	$ 1,138,833	$ (1,718,683)	$ 6,672,309	$ 3,827,824	$ 2,577,385	$ 6,568,976	$ 1,167,725

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	54,523	47,985	25,749	1,806	27,007	3,118	28,845	-	-	-
Unassigned	5,566,724	5,974,476	6,451,103	5,901,914	5,152,505	8,492,770	8,955,317	10,566,655	12,014,419	10,843,087
Total General Fund	5,621,247	6,022,461	6,476,852	5,903,720	5,179,512	8,495,888	8,984,162	10,566,655	12,014,419	10,843,087
All Other Governmental Funds										
Restricted for:										
Capital outlay	$ -	$ -	$ -	$ 2,697,092	$ 3,413,731	$ 3,729,503	$ 5,448,964	$ 7,778,409	$ 5,369,946	$ 3,363,207
Tax increment financing	-	-	-	-	730,860	1,102,439	1,291,973	864,223	779,476	805,233
General government	2,925,495	2,418,165	2,846,524	-	-	-	-	-	-	-
Public safety	150,246	161,607	169,573	127,583	145,174	87,567	165,923	97,162	101,450	98,131
Public works	945	72,658	942,987	678,363	646,343	58,777	290,483	357,951	462,242	394,262
Tourism and convention activities	-	-	-	464,035	402,239	332,703	598,831	616,997	676,240	817,207
Culture and recreation	59,080	113,605	156,810	42,743	34,392	44,005	548,715	192,661	279,287	63,896
Housing and urban redevelopment	942,072	2,331,702	2,284,631	1,361,341	1,399,478	952,896	1,014,660	1,124,056	1,318,652	1,509,433
Community and economic development	-	-	-	3,036,712	2,544,195	3,275,281	2,719,838	2,916,821	3,013,925	3,300,402
Debt service	306,415	415,724	315,640	361,513	361,513	361,473	419,059	245,796	290,079	168,784
Probation Services	-	-	-	59,998	100,067	44,632	102,028	94,731	123,955	118,658
Committed for:										
Capital outlay	162,483	2,352,854	2,240,305	1,779,484	5,109,580	2,246,078	1,010,578	632,588	-	-
Public works	1,214,744	-	-	-	-	-	-	-	-	-
Culture and recreation	(28,259)	-	-	-	-	-	-	-	-	-
Housing and urban redevelopment	86,755	-	-	-	-	-	-	-	-	-
Assigned to:										
General government	20,507	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	2,184,469	2,516,348	2,602,760	6,967,146	8,529,556
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(2,005,400)	(7,529,373)	(7,652,419)	-	-	-	-
Total all other governmental funds	5,840,483	7,866,315	8,956,470	8,603,464	7,358,199	6,767,404	16,127,400	17,524,155	19,382,398	19,168,769
Total Governmental Funds	$ 11,461,730	$ 13,888,776	$ 15,433,322	$ 14,507,184	$ 12,537,711	$ 15,263,292	$ 25,111,562	$ 28,090,810	$ 31,396,817	$ 30,011,856

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	$ 22,079,326	$ 22,574,241	$ 22,807,814	$ 23,688,132	$ 24,820,583	$ 25,487,384	$ 27,677,325	$ 29,240,057	$ 29,617,260	$ 29,299,260
Intergovernmental	4,929,915	4,482,983	8,564,188	3,822,365	3,987,770	11,683,789	5,590,657	4,704,572	9,299,856	8,309,120
Licenses and permits	401,505	402,462	392,950	441,537	494,874	412,880	485,308	392,606	433,695	393,455
Charges for services	2,996,356	2,658,253	3,101,482	3,215,038	2,881,272	2,209,029	2,960,994	3,347,741	3,411,507	3,091,292
Fines and forfeitures	862,554	824,540	639,850	616,627	573,542	554,565	490,264	483,527	401,301	379,624
Investment earnings	21,193	30,963	123,383	218,023	370,343	139,513	47,113	407,906	1,638,766	1,789,401
Other revenues	703,851	1,249,801	2,045,589	1,189,946	852,964	776,356	663,678	330,039	332,270	376,473
Total revenues	31,994,700	32,223,243	37,675,256	33,191,668	33,981,348	41,263,516	37,915,339	38,906,448	45,134,655	43,638,625
Expenditures										
General government	3,629,457	3,549,462	3,670,272	4,005,880	4,155,823	4,724,231	5,040,566	4,690,823	5,241,970	5,118,983
Public safety	11,054,380	11,367,068	11,160,771	11,783,843	12,140,010	12,638,688	12,649,800	13,409,203	14,615,359	16,067,889
Public works	3,643,703	3,343,760	3,917,574	5,473,003	8,530,464	3,399,748	3,623,204	4,114,089	4,845,570	4,816,933
Culture and recreation	2,357,827	2,883,746	2,514,505	2,735,930	3,301,809	2,153,643	2,434,815	2,573,545	2,843,190	3,470,130
Housing and urban redevelopment	3,040,727	4,464,750	4,550,691	2,661,033	2,672,386	3,315,605	3,342,900	3,603,939	3,529,619	3,793,786
Community and economic development	-	-	-	3,450,479	1,755,931	2,618,420	2,451,628	1,712,538	2,432,215	2,368,244
Debt service										
Principal Retirement	2,924,348	5,484,348	2,843,553	2,899,531	3,024,601	3,855,000	5,985,000	3,785,100	2,723,297	2,890,000
Interest and fiscal charges	620,978	621,932	550,751	646,467	723,369	893,128	797,600	802,673	659,563	744,644
Capital outlay	5,698,832	4,755,873	14,073,071	3,129,648	1,264,523	7,477,551	4,763,903	3,618,789	3,908,786	11,118,023
Total expenditures	32,970,252	36,470,939	43,281,188	36,785,814	37,568,916	41,076,014	41,089,416	38,310,699	40,799,569	50,388,632
Excess of revenues over (under) expenditures	(975,552)	(4,247,696)	(5,605,932)	(3,594,146)	(3,587,568)	187,502	(3,174,077)	595,749	4,335,086	(6,750,007)
Other Financing Sources (Uses)										
Bonds issued	2,300,000	6,575,000	6,550,000	1,410,000	1,340,000	2,395,000	11,970,000	1,435,000	-	4,885,000
Bond premium	-	-	-	-	69,571	79,167	1,062,007	40,068	-	247,471
Insurance proceeds	-	-	39,010	24,117	170,530	24,357	27,980	117,259	129,247	59,049
Lease Revenue	-	-	-	-	-	-	-	38,686	-	1,127,164
Temporary notes issued	-	-	-	-	-	-	-	545,000	-	-
Capital leases	-	-	477,685	-	-	-	-	-	-	-
Sale of capital assets	-	52,397	36,438	5,240	37,995	39,555	48,458	124,036	293,099	248,838
Sale of land	292,826	-	-	-	-	-	-	-	-	-
Contributed capital	-	-	-	1,228,650	-	-	-	-	-	-
Transfers in	6,112,012	5,717,005	4,194,786	5,123,232	4,212,409	8,133,817	7,296,182	3,500,275	12,213,935	11,544,550
Transfers out	(6,041,827)	(5,669,660)	(4,147,441)	(5,123,232)	(4,212,409)	(8,133,817)	(7,382,280)	(3,511,775)	(13,665,359)	(12,747,026)
Total other financing sources (uses)	2,663,011	6,674,742	7,150,478	2,668,007	1,618,096	2,538,079	13,022,347	2,288,549	(1,029,078)	5,365,046
Net change in fund balances	$ 1,687,459	$ 2,427,046	$ 1,544,546	$ (926,139)	$ (1,969,472)	$ 2,725,581	$ 9,848,270	$ 2,884,298	$ 3,306,008	$ (1,384,961)
Debt service as a percentage of noncapital expenditures	13.0%	19.3%	11.6%	10.5%	10.3%	14.1%	18.7%	13.2%	9.2%	9.3%

City of Leavenworth, Kansas
Tax Revenues of Governmental Funds by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Tax Increment Property Tax	Sales Tax	Compensating Use Tax	Tax Increment Sales Tax	Franchise Tax	Motor Vehicle Tax	Special Assessment Tax	Other Tax	Total
2015	$ 5,149,544	$ 36,612	$ 10,654,420	$ 1,604,125	$ 484,431	$ 2,676,007	$ 1,074,498	$ 191,173	$ 208,516	$ 22,079,326
2016	5,221,569	126,217	10,896,917	1,508,063	808,166	2,802,922	729,991	129,925	350,470	22,574,240
2017	5,227,897	142,450	10,958,814	1,598,873	894,604	2,796,945	714,825	132,089	341,317	22,807,815
2018	5,329,170	182,648	11,318,049	1,739,801	949,539	2,880,135	764,659	109,867	414,264	23,688,132
2019	5,411,407	307,085	12,005,497	1,780,148	1,028,373	2,794,211	767,641	205,499	520,722	24,820,583
2020	5,711,867	609,057	11,780,467	2,477,013	1,082,877	2,599,791	800,234	51,058	375,020	25,487,384
2021	6,096,164	518,522	10,646,477	2,778,484	3,405,896	2,748,361	863,278	71,001	620,147	27,748,330
2022	6,319,800	359,568	13,368,583	3,361,092	986,616	3,280,218	840,458	54,483	641,962	29,212,780
2023	6,773,790	684,463	13,118,851	3,526,896	898,628	3,041,520	835,307	36,342	701,463	29,617,260
2024	6,649,167	673,686	12,844,489	3,717,804	761,492	2,905,759	863,341	44,801	838,720	29,299,259
Change 2015 - 2024	29.1%	1740.1%	20.6%	131.8%	57.2%	8.6%	-19.7%	-76.6%	302.2%	32.7%

City of Leavenworth, Kansas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended December 31	Real Property			Personal Property	State Assessed Utilities	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Total							
2015	$ 130,269,055	$ 52,001,647	$ 182,270,702	$ 5,412,888	$ 11,084,363	NA	$ 198,767,953	31.023	$ 1,421,438,551	14.0%
2016	129,723,607	57,449,951	187,173,558	4,497,671	11,983,704	NA	203,654,933	31.027	1,433,255,606	14.2%
2017	131,946,283	59,280,214	191,226,497	4,114,339	11,838,522	NA	207,179,358	31.361	1,456,131,008	14.2%
2018	135,446,398	60,852,730	196,299,128	4,008,053	12,037,816	NA	212,344,997	31.348	1,492,536,552	14.2%
2019	139,736,940	62,780,365	202,517,305	3,897,067	12,778,097	NA	219,192,469	31.754	1,538,834,333	14.2%
2020	146,132,818	65,653,875	211,786,693	3,698,624	13,412,332	NA	228,897,649	31.813	1,606,141,035	14.3%
2021	156,699,796	70,401,358	227,101,154	2,983,010	13,623,615	NA	228,946,404	31.813	1,711,435,254	13.4%
2022	176,096,219	79,115,693	255,211,912	2,623,954	14,269,443	NA	272,008,599	31.141	1,913,791,971	14.2%
2023	198,662,491	89,254,162	287,916,653	2,703,317	13,287,818	NA	303,850,447	28.327	2,148,289,787	14.1%
2024	206,414,577	92,736,984	299,151,561	2,788,545	13,859,893	NA	315,799,999	26.962	2,232,105,195	14.1%

Source: Leavenworth County Clerk

Note: Residential and commercial real property is estimated by city management based upon proportional data provided by the County Clerk. Data for tax exempt property is unavailable.

City of Leavenworth, Kansas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

	City of Leavenworth			Overlapping Rates							
				Leavenworth County			School District				Total
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts	Direct & Overlapping Rates
2015	22.854	8.169	31.023	36.544	-	36.544	43.569	19.778	63.347	1.500	132.414
2016	22.803	8.224	31.027	37.608	-	37.608	43.841	19.484	63.325	1.500	133.460
2017	23.713	7.635	31.348	23.228	8.133	31.361	43.836	19.489	63.335	1.500	127.544
2018	24.110	7.637	31.747	37.112	-	37.112	41.925	17.397	59.322	1.500	129.690
2019	24.120	7.648	31.768	37.184	-	37.184	40.040	17.397	57.437	1.500	127.898
2020	24.033	7.780	31.813	36.946	-	36.946	40.300	17.029	57.329	1.500	127.588
2021	24.033	7.780	31.813	36.691	-	36.691	40.072	17.288	57.360	1.500	127.364
2022	23.752	6.383	30.135	35.924	-	35.924	36.969	16.565	53.534	1.500	121.093
2023	23.228	6.904	30.132	35.779	-	35.779	34.242	21.996	56.238	1.500	123.649
2024	20.785	6.177	26.962	37.561	-	37.561	40.148	14.246	54.394	1.500	120.417

Source: Leavenworth County Clerk

City of Leavenworth, Kansas
Principal Property Taxpayers
Current Year and Nine Years Ago

	2024			2015		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Westar Energy (Evergy)	$ 8,060,428	1	26.6%	$ 6,449,991	2	21.9%
Correction Corporation of America	3,614,506	2	11.9%	7,715,988	1	26.2%
Kansas Gas Service	3,307,626	3	10.9%	1,931,631	7	6.6%
Walmart Supercenter	2,915,350	4	9.6%	1,173,450	4	4.0%
LCP Leavenworth LLC	2,247,862	5	7.4%			
Prime Healthcare	2,266,335	6	7.5%	2,506,075	5	8.5%
Cereal Ingredient	2,098,822	7	6.9%			
MCS Holdings Co	2,115,622	8	7.0%			
Development, Inc	1,972,055	9	6.5%	2,505,923	6	8.5%
JB McKee Properties	1,713,512	10	5.7%			
Hallmark Cards				3,469,936	3	11.8%
Home Depot				1,206,658	9	4.1%
Greenamyre Rentals				1,158,401	10	3.9%
Fairfield Hotel				$ 1,288,650	8	4.4%
	$ 30,312,118		9.6%	29,406,703		15.0%

Source: Leavenworth County Clerk

Total Assessed Values $ 315,799,999

City of Leavenworth, Kansas
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy For Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	$ 6,166,379	$ 6,038,709	97.9%	$ 9,418	$ 6,048,127	98.1%
2016	6,282,188	6,128,032	97.5%	94,673	6,222,705	99.1%
2017	6,383,650	6,183,776	96.9%	112,717	6,278,449	98.4%
2018	6,495,016	6,300,960	97.0%	109,498	6,413,677	98.7%
2019	6,742,928	6,534,599	96.9%	116,186	6,644,097	98.5%
2020	6,964,499	6,736,800	96.7%	107,871	6,852,986	98.4%
2021	7,282,112	7,059,308	96.9%	120,451	7,167,179	98.4%
2022	7,589,553	7,322,252	96.5%	124,490	7,442,703	98.1%
2023	8,196,376	7,904,875	96.4%	174,403	8,029,365	98.0%
2024	8,197,501	7,905,985	96.4%	-	8,080,388	98.6%

Source: Leavenworth County Treasurer

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

Fiscal Year	Governmental Activities			Activities Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Bond Anticipation and Temporary Notes	Finance/ROU Leases	General Obligation Bonds	Finance/ROU Leases			
2015	$ 17,405,000	$ 2,410,000	$ 39,348	$ 8,050,000	$ -	$ 25,494,348	1.8%	$ 708
2016	18,535,000	1,660,000	-	7,305,000	-	27,500,000	1.9%	764
2017	22,405,000	2,070,000	314,132	6,555,000	-	31,344,132	3.0%	866
2018	21,070,000	3,935,000	159,601	5,800,000	375,000	31,339,601	2.2%	865
2019	19,545,000	9,185,000	-	5,160,000	254,321	34,144,321	2.3%	947
2020	18,085,000	7,835,000	-	6,855,000	129,371	32,904,371	2.1%	915
2021	25,106,250	1,400,000	-	5,970,000	-	32,476,250	3.0%	899
2022	22,820,051	545,000	18,897	5,050,000	1,458	28,435,406	2.4%	764
2023	20,020,970	545,000	600	4,270,000	-	24,836,570	2.0%	668
2024	22,429,009	275,000	1,595,748	3,635,000	83,339	28,018,096	2.2%	754

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Demographic and Economic Statistics for personal income and population data.

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

Fiscal Year	General Obligation Bonds: Governmental Activities	General Obligation Bonds: Business-type Activities	Less: Amounts Available in Debt Service Fund	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2015	$ 17,405,000	$ 8,050,000	$ 320,346	$ 25,134,654	1.8%	$ 698
2016	18,535,000	7,305,000	415,724	25,424,276	1.8%	706
2017	22,405,000	6,555,000	315,640	28,644,360	2.0%	790
2018	21,070,000	5,800,000	361,513	26,508,487	1.8%	732
2019	19,545,000	5,160,000	361,513	24,343,487	1.6%	675
2020	18,085,000	6,855,000	361,473	24,578,527	1.5%	684
2021	24,070,000	5,970,000	419,059	29,620,941	1.7%	821
2022	21,835,000	5,050,000	245,796	26,639,204	1.4%	717
2023	19,130,000	4,270,000	290,079	23,109,921	1.1%	623
2024	21,395,000	3,635,000	168,784	24,861,216	1.1%	669

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) See the schedule of Demographic and Economic Statistics for population data.

City of Leavenworth, Kansas
Direct and Overlapping Governmental Activities Debt
As of December 31, 2024

Governmental Unit	Total Debt Outstanding	Net Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes				
School District #453	$ 62,200,000	$ 27,368,000	91.0%	$ 24,904,880
Leavenworth County	17,465,000	11,701,550	28.0%	3,276,434
Subtotal, overlapping debt				28,181,314
City direct debt				28,018,096
Total direct and overlapping debt				$ 56,199,410

Source: Debt outstanding data and assessed value data used to estimate applicable percentages provided by the Leavenworth County Clerk.

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

(1) A portion of Unified School District 453's overlapping debt will be paid by the State of Kansas pursuant to current percentages for Bond and Interest Fund State Aid Payments. The current percentage for reimbursement for the Unified School District 453 is 44% for bonds issued after July 1, 2002.

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

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

	Fiscal Year									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Debt Limit	$ 68,350,691	$ 69,128,610	$ 70,316,891	$ 72,214,115	$ 74,499,282	$ 76,964,804	$ 82,340,816	$ 90,321,289	$ 100,038,574	$ 104,061,939
Total net debt applicable to limit	11,004,905	12,693,599	15,034,277	13,552,110	19,243,082	11,964,033	6,084,309	7,545,000	4,754,921	9,621,216
Legal debt margin	$ 57,345,786	$ 56,435,011	$ 55,282,614	$ 58,662,005	$ 55,256,200	$ 65,000,771	$ 76,256,507	$ 82,776,289	$ 95,283,653	$ 94,440,723
Total net debt applicable to the limit as a percentage of debt limit	16.1%	18.4%	21.4%	18.8%	25.8%	15.5%	7.4%	8.4%	4.8%	9.2%

Legal debt margin calculation for fiscal year 2024	
Adjusted equalized assessed valuation	$ 345,242,369
Debt limit (30% of total equalized assessed value)	104,061,939
Debt applicable to limit	9,790,000
Debt Service Fund Balance	(168,784)
Legal debt margin	$ 94,440,723

Note: According to state statute, the City's outstanding general obligation debt should not exceed 30% of total adjusted assessed valuation, which is the total of property assessed valuation and motor vehicle valuation.

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

Fiscal Year	Population (1)	Personal Income	Per Capita Income (2)	School Enrollment (3) Public	Private	Total	Unemployment Rate (4)
2015	35,738	$ 1,405,692,000	$ 23,781	6,041	524	6,565	4.8%
2016	35,861	853,922,132	23,812	6,041	524	6,565	5.7%
2017	35,948	896,686,912	24,944	5,745	581	6,326	4.9%
2018	35,958	945,084,114	26,283	5,868	330	6,198	5.5%
2019	36,008	1,031,809,240	28,655	5,384	496	5,880	3.1%
2020	36,064	1,020,755,456	28,304	5,116	604	5,720	3.4%
2021	36,129	1,079,245,488	29,872	5,011	531	5,542	2.8%
2022	37,216	1,206,393,856	32,416	5,087	559	5,646	2.9%
2023	37,193	1,221,752,857	32,849	4,913	810	5,723	3.4%
2024	37,176	1,265,545,392	34,042	5,170	536	5,706	3.0%

(1) Kansas Division of the Budget
(2) U.S. Census Bureau
(3) American Community Survey - U.S. Census Bureau
(4) Kansas Department of Labor

City of Leavenworth, Kansas
Principal Employers
Current Year and Nine Years Ago

	2024			2015		
Taxpayer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Fort Leavenworth	9,255	1	68.7%	4,185	1	48.0%
Dwight D. Eisenhower VA Medical Center	1,250	2	9.3%	700	3	8.0%
Leavenworth School District No. 453	705	3	5.2%	996	2	11.4%
Leavenworth County	427	4	3.2%	352	8	4.0%
VA Consolidated Patient Center	420	5	3.1%			
Walmart Supercenter	380	6	2.8%	350	9	4.0%
U.S. Federal Penitentiary	300	7	2.2%	380	7	4.4%
St. John Hospital	300	8	2.2%			
University of St. Mary	230	9	1.7%			
Cereal Ingredients	211	10	1.6%			
Northrup Grumman				700	4	8.0%
Central Plains Consolidated Accounts				400	5	4.6%
Cubic Defense Applications Group				390	6	4.5%
Hallmark Cards, Inc				260	10	3.0%
	13,478		100%	8,713		97%

Source: Kansas Statistical Abstract
Leavenworth County Development Corporation

City of Leavenworth, Kansas
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	27	33	34	32	33	33	31	31	30	33
Public safety										
Police	85	72	77	73	75	75	76	76	75	76
Fire	54	54	54	52	50	50	51	52	51	54
Public works	27	25	30	29	29	29	21	25	27	26
Culture and recreation	31	32	30	35	40	40	37	46	70	19
Housing and urban redevelopment	7	7	8	8	10	10	13	13	13	12
Sewer	19	17	16	16	13	13	15	12	13	16
Refuse	14	12	13	13	14	14	12	12	12	13
Total	264	252	262	258	264	264	256	267	291	249

Source: City of Leavenworth Human Resources Department

City of Leavenworth, Kansas
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety										
Police										
Physical arrests	1,918	1,762	2,126	2,175	1,893	1,427	1,489	1,467	1,778	1,457
Traffic violations	4,927	4,576	4,459	2,296	2,307	2,360	1,983	2,374	1,970	2,330
Fire										
Calls answered	2,508	2,543	2,606	2,645	2,747	2,544	2,996	3,190	3,187	3,469
Inspections conducted	951	830	854	873	848	441	340	704	827	585
Housing and urban redevelopment										
Certificates/vouchers for low-income rental assistance	444	469	469	469	469	469	469	469	469	469
Sewer										
Daily average treatment (thousands of gallons)	4,753	4,778	4,240	4,530	5,598	5,599	3,746	3,419	3,278	3,517
Refuse										
Refuse disposed (tons)	11,696	11,710	11,928	11,291	11,597	12,126	12,458	11,874	11,127	10,939

Note: 2020 Statistics for the Police and Fire departments were significantly impacted by COVID-19.

Sources: Various City departments

Note: No operating indicators are available for the general government, public works or culture/recreation functions.

City of Leavenworth, Kansas
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	Fiscal year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
*Public works										
Miles of street:										
Improved	156.60	164.33	164.33	164.33	164.33	165.13	165.21	166.85	166.85	166.85
Unimproved	0.40	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Controlled intersections	42	1,034	1,034	104	1,034	1,039	873	879	879	879
Culture and recreation										
Community centers	1	1	1	1	1	1	1	1	1	1
Parks	22	22	22	22	22	22	22	22	22	22
Park acreage	424	424	424	424	424	424	424	424	424	424
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	8	8	8	8	8	8	8	8	8	8
Pickleball courts	-	-	-	-	-	-	-	-	-	8
Ball fields	12	12	12	12	12	12	12	12	12	12
Housing and urban redevelopment										
Elderly high-rise occupancy (units)	105	105	105	105	105	105	105	105	105	105
Sewer										
Sanitary sewer (miles)	130	130	130	158	158	158	160	160	160	160
Treatment plants	1	1	1	1	1	1	1	1	1	1
Treatment capacity (thousands of gallons)	6,880	6,880	6,880	6,880	6,880	6,880	6,880	6,880	6,880	6,880

* The City has started the implementation of GIS methods for determining the miles of improved, unimproved, and controlled intersections so the classification have changed.

Sources: Various city departments

Note: No capital asset indicators are available for the general government or refuse functions.

CITY OF LEAVENWORTH, KANSAS

SINGLE AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2024

City of Leavenworth, Kansas

Single Audit Report

For the Year Ended December 31, 2024

Table of Contents

	Page Number
Independent Auditor's Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
A copy of the City of Leavenworth, Kansas' Annual Comprehensive Financial Report for the year ended December 31, 2024 accompanies this report. The Independent Auditor's Report and the Basic Financial Statements are hereby incorporated by reference.	
Additional information:	
Schedule of Expenditures of Federal Awards	2-3
Notes to the Schedule of Expenditures of Federal Awards	4
Schedule of Findings and Questioned Costs	5
Summary Schedule of Prior Audit Findings	6
Compliance reports:	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	7-8
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	9-11

Independent Auditor's Report on Schedule of Expenditures of Federal Awards

To the Honorable Mayor and Members of the City Commission
City of Leavenworth, Kansas

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Leavenworth, Kansas (the City), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We did not audit the financial statements of the Leavenworth Public Library, a discretely presented component unit, which represent 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. We issued our report thereon dated June 25, 2025 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hood and Associates CPAs, PC

Kanas City, Missouri
June 25, 2025

ADDITIONAL INFORMATION

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024
(With Unaudited Cumulative Totals from Inception of the Project)

Federal Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Cumulative Awards Through December 31, 2024 (Unaudited)	Reported Expenditures: Cumulative Through December 31, 2023 (Unaudited)	Reported Expenditures: Total for the Year ended December 31, 2024	Reported Expenditures: Cumulative Through December 31, 2024	Passed Through to Subrecipients
U.S. Department of Housing and Urban Development							
CDBG - Entitlement Grants Cluster:							
2021 Community Development Block Grant-Entitleme	14.218		$ 523,589	$ 345,844	$ 104,212	$ 450,056	$ -
2022 Community Development Block Grant-Entitleme	14.218		390,994	231,004	89,423	320,427	-
2023 Community Development Block Grant-Entitleme	14.218		340,093	40,872	108,180	149,052	44,037
2024 Community Development Block Grant-Entitleme	14.218		346,784	-	48,564	48,564	11,042
Total CDBG - Entitlement Grants Cluster			1,601,460	617,720	350,379	968,099	55,079
Passed through the Kansas Housing Resources Corporation:							
2023 Emergency Solutions Grant	14.231	ESG-FFY2023	89,198	-	89,198	89,198	86,850
2024 Emergency Solutions Grant	14.231	ESG-FFY2024	117,454	-	26,355	26,355	26,355
Home Investment Partnerships Program (TBRA)	14.239	M20SG200160	90,950	74,245	-	74,245	-
Public and Indian Housing	14.850	KS06800000124D	370,160	-	370,160	370,160	-
Public Housing Capital Fund	14.872	KS01P06850120	146,692	37,543	109,149	146,692	-
Public Housing Capital Fund	14.872	KS01P06850121	164,332	159,866	4,466	164,332	-
Public Housing Capital Fund	14.872	KS01P06850122	201,180	-	197,090	197,090	-
Public Housing Capital Fund	14.872	KS01P06850123	206,099	-	-	-	-
Public Housing Capital Fund	14.872	KS01P06850124	209,449	-	-	-	-
Section 8 - Housing Choice Vouchers	14.871		2,531,409	-	2,523,288	2,523,288	-
Total U.S. Department of Housing and Urban Development			5,728,383	889,374	3,670,085	4,559,459	168,284
U.S. Department of the Interior							
Passed through the Kansas Historical Society:							
Historic Preservation Fund Grants-In-Aid	15.904	HPF2022-10038	12,600	10,785	1,815	12,600	-
U.S. Department of Justice							
Bulletproof Vest Partnership Program - 2021	16.607		2,145	-	2,145	2,145	-
Bulletproof Vest Partnership Program - 2022	16.607		2,500	-	-	-	-
Bulletproof Vest Partnership Program - 2023	16.607		2,500	-	-	-	-
Bulletproof Vest Partnership Program - 2024	16.607		2,235	-	-	-	-
Edward Byrne Memorial Justice Assistance Grant Progra	16.738	I5PBJA23GG03407JAG)	31,506	18,900	12,606	31,506	12,606
Edward Byrne Memorial Justice Assistance Grant Progra	16.738	I5PBJA24GG04764JAG)	24,711	-	-	-	-
Byrne Discretionary Community Project Grants	16.753	5PBJA24GG00282BRNI	350,000	-	222,010	222,010	-
Total U.S. Department of Justice			415,597	18,900	236,761	255,661	12,606

See accompanying notes to the Schedule of Federal Expenditures

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024
(With Unaudited Cumulative Totals from Inception of the Project)

Federal Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Cumulative Awards Through December 31, 2024 (Unaudited)	Reported Expenditures: Cumulative Through December 31, 2023 (Unaudited)	Reported Expenditures: Total for the Year ended December 31, 2024	Reported Expenditures: Cumulative Through December 31, 2024	Passed Through to Subrecipients
U.S. Department of Transportation							
Passed through the Kansas Department of Transportation:							
Highway Safety Cluster:							
State and Community Highway Safety (A) (STEP)	20.600	PT-1008-24	3,500	215	923	1,138	-
State and Community Highway Safety (A) (STEP)	20.600	PT-1008-25	5,000	-	373	373	-
Safe Streets and Roads for All (SS4A)	20.939	693JJ32340354	280,000	22,014	244,154	266,168	-
Total U.S. Department of Transportation			288,500	22,229	245,450	267,679	-
U.S. Department of Treasury							
COVID-19 Coronavirus State and Local Fiscal Recovery I	21.027		8,549,063	5,750,278	1,966,306	7,716,584	-
Total expenditures of federal awards			$ 14,994,143	$ 6,691,566	$ 6,120,417	$ 12,811,983	$ 180,890

See accompanying notes to the Schedule of Federal Expenditures

City of Leavenworth, Kansas
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Note 1. Organization

The City of Leavenworth, Kansas is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Leavenworth, Kansas, and is presented on the modified accrual basis of accounting. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3. Local Government Contributions

Local cost sharing, as defined by Title 2 CFR Part 200, Subpart D, Section 200.306 is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City of Leavenworth, Kansas. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at December 31, 2024.

Note 5. Indirect Cost Rate

The City does not allocate indirect costs, and therefore has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

City of Leavenworth, Kansas
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Section 1 - Summary of Auditor's Results

Financial Statements:

Type Audit Report Issued on the Basic Financial Statements of Auditee
Unmodified

Internal Control Over Financial Reporting
No significant deficiencies reported, no material weaknesses identified.

General Compliance
The audit did not disclose any instances of noncompliance, which would be material to the basic financial statements.

Federal Awards:

Internal Control Over Major Programs
No significant deficiencies reported, no material weaknesses identified.

Type Audit Report Issued on Compliance for Major Programs
Unmodified

Audit Findings
None

Major Programs

CFDA Number	Name of Federal Program
21.027	COVID-19 Coronavirus State and Fiscal Recovery Funds

Dollar Threshold Used to Distinguish Between Type A and Type B Program
$750,000

Auditee Qualified as a Low-risk Auditee
Yes

City of Leavenworth, Kansas
Schedule of Findings and Questioned Costs (continued)
For the Year Ended December 31, 2024

Section 2 – Financial Statement Findings

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None

Summary Schedule of Prior Audit Findings

None

Section 3 – Federal Award Findings and Questioned Costs

Federal Award Findings Required to be Reported in Accordance with the Uniform Guidance

None

Summary Schedule of Prior Audit Findings

None

COMPLIANCE REPORTS

HOOD AND ASSOCIATES CPAs, PC

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor and Members of the City Commission
City of Leavenworth, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Leavenworth, Kansas (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 25, 2025. Our report includes a reference to other auditors who audited the financial statements of the Leavenworth Public Library, a discretely presented component unit, as described in our report on the City's financial statements. The financial statements of the Leavenworth Public Library were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Hood and Associates CPAs, PC

Kansas City, Missouri
June 25, 2025

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Mayor and City Commission
City of Leavenworth, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Leavenworth, Kansas' (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Hood and Associates CPAs, PC

Kansas City, Missouri
June 25, 2025