CITY OF ATCHISON, KANSAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF ATCHISON, KANSAS

For the Fiscal Year Ended

December 31, 2023

Prepared by:

FINANCE DEPARTMENT

City of Atchison, Kansas

CITY OF ATCHISON, KANSAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended December 31, 2023
TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION:	
Letter of Transmittal	1 - 5
Organization Chart	6
List of Elected and Appointed Officials	7
FINANCIAL SECTION:	
Independent Auditors' Report	8 - 10
Management's Discussion and Analysis	11 - 20
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds	23
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	26
Statement of Net Position – Proprietary Funds	27
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	28
Statement of Cash Flows – Proprietary Funds	29
Statement of Net Position – Fiduciary Funds	30
Statement of Changes in Net Position – Fiduciary Funds	31
Notes to Basic Financial Statements	32 - 78
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	79 - 84
Notes to Required Supplementary Information	85
Schedule of the Changes in the City's Total OPEB Liability and Related Ratios – Health Insurance	86
Schedule of the Changes in the City's Total OPEB Liability and Related Ratios – Disability Benefits and Life Insurance	87
Schedule of the City's Proportionate Share of the Collective Net Pension Liability – Kansas Public Employees Retirement System	88

CITY OF ATCHISON, KANSAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended December 31, 2023
TABLE OF CONTENTS
(Continued)

	Page
Schedule of the Library's Proportionate Share of the Collective Net Pension Liability – Kansas Public Employees Retirement System	89
Schedule of the City's Contributions – Kansas Public Employees Retirement System	90
Schedule of the Library's Contributions – Kansas Public Employees Retirement System	91
Other Supplementary Information:	
Combining Fund Statements and Schedules:	
Combining Balance Sheet – General Fund	92
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – General Fund	93
Combining Balance Sheet – Nonmajor Governmental Funds	94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	95
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Special Alcohol Fund	96
Special Parks and Recreation Fund	97
Motor Fuel Fund	98
Land Bank Fund	99
Debt Service Fund	100
Combining Statement of Net Position – Fiduciary Funds	101
Combining Statement of Changes in Net Position – Fiduciary Funds	102
Balance Sheet – Discretely Presented Component Unit – Public Library	103
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Discretely Presented Component Unit – Public Library	104
STATISTICAL SECTION (UNAUDITED)	
Net Position by Component	105
Changes in Net Position	106 - 107
Fund Balances, Governmental Funds	108
Changes in Fund Balances, Governmental Funds	109
Principal Water Purchasers	110
Water Produced and Consumed	111
Annual Tap Sales	112
Number of Water Customers by Type	113
Water Rates	114
Principal Property Tax Payers	115
Assessed Value and Estimated Actual Value of Taxable Property	116
Direct and Overlapping Property Tax Rates	117
Property Tax Levies and Collections	118
Ratios of Outstanding Debt by Type	119

CITY OF ATCHISON, KANSAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended December 31, 2023
TABLE OF CONTENTS
(Continued)

	Page
Ratios of Net General Bonded Debt Outstanding and Legal Debt Margin	120
Governmental Activities Direct and Overlapping Debt	121
Demographic and Economic Statistics	122
Principal Employers	123
Full-Time Equivalent City Government Employees by Function	124
Operating Indicators by Program/Function	125
Capital Asset Statistics by Program/Function	126
COMPLIANCE:	
Schedule of Expenditures of Federal Awards	127
Notes to Schedule of Expenditures of Federal Awards	128
Schedule of Findings and Questioned Costs	129
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	130 - 131
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance	132 - 134

Introductory Section

2023

July 02, 2024

The Honorable Mayor, Members of the City Commission, and Citizens of the City of Atchison:

It is our pleasure to submit the annual comprehensive financial report of the City of Atchison (City) for the fiscal year ended December 31, 2023. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations for the various activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The annual comprehensive financial report is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of 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 Independent Auditors' Report.

State law requires that every general-purpose local government publish a complete set of audited financial statements after the close of the fiscal year. This report is published to fulfill that requirement for the fiscal year ended December 31, 2023. BT & Co. P.A. has issued unmodified opinions on the City's financial statements for the year ended December 31, 2023.

Profile of the Government

The City is the primary unit of government and was incorporated in 1858. It is in the northeastern part of the state approximately thirty-five miles from the Kansas City International Airport. It currently occupies 6.9 square miles and serves an estimated 2023 population of 10,661. The City is empowered to levy a property tax on both real and personal property within its boundaries and to extend the city limits by annexation, which it has done from time to time.

The City operates under the commission-manager form of government. Policymaking and legislative authority are vested in a governing commission consisting of the mayor and four other members, all elected on a non-partisan basis. The Commission appoints the city manager, who in turn appoints the heads of the various departments. Three of the commissioners are

elected every two years. The two with the largest number of votes serve four-year terms, and the third serves a two-year term. The mayor is elected by the Commission and serves a one-year term.

The City provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational and cultural activities. Sanitation, water, and wastewater services are also provided and are included as an integral part of the City's financial statements.

The City is also financially accountable for a legally separate library which is reported on separately within the City's financial statements. Additional information on this entity can be found in Note 1 of the financial statements.

Local economy

In its early history, Atchison was an important supply center for settling the West and continues to enjoy a strong commercial base today. Major industries located within the City's boundaries, or nearby, include manufacturers of food and mill ingredients, distillery products, concrete poles, steel castings, and rail anchors.

Other economic presences include the headquarters of a publicly traded company, a full-service hospital, a four-year accredited college, a vocational school, national suppliers of leather and textile products, wholesale hardware and more.

Atchison's unemployment rate at the end of December 2023 was 2.40%. The most recent figure for Atchison is 3.7% and area employers, including the city, are having trouble hiring new employees.

Specialty retail shops and the tourism industry have contributed to the local economy in the past ten years. The City stopped receiving a portion from the County for the one-cent sales tax in mid-2023. Sales tax collections in 2023 were actually 2.2% higher than they were in 2022. The City's one-cent sales tax, along with its share of the County's one-cent sales tax have risen 34% from $1,631,265 in 2014 to $2,182,240 in 2023. To date, sales and use tax collections for 2024 are up 2.2% compared to this time last year.

Relevant financial policies

Budgeting -The Commission is required by Statute to adopt a final budget by August 25th of each year, though recent legislation will extend that deadline to October 1st if the City intends to budget an increase to its "revenue neutral rate", defined as a budget that includes revenue produced by property taxes in excess of the amount produced the preceding year. The annual budget is the foundation for the City's financial planning and control. The budget is prepared by fund, and by department (e.g., police). The City's budget is prepared on a modified accrual basis further modified by an encumbrance system of accounting as required by applicable state statutes. The city manager presents recommendations for the budget to the Mayor and Commission members for their review. A series of public meetings are held by commissioners to review alternative spending proposals. After soliciting public input, the Commission adopts the budget. The budget is controlled through an accounting system to ensure effective fiscal management and accountability.

Capital Spending - The City prepares a five-year spending plan for replacing its equipment. The City also maintains a five-year capital improvement (CIP) plan for maintaining and making betterments to infrastructure. Both plans are updated annually and approved by the governing body. Equipment replacements are funded by transfers from other funds, primarily the general fund, in addition to long-term leases for major equipment purchases. Capital improvements are funded through transfers from other funds, intergovernmental grants and revenues and general obligation bonds. The funding of equipment replacement and infrastructure maintenance can be designed to provide a stable and sustainable program that minimizes future cost, or the funding of these capital expenses can be deferred in the short term in order to minimize current expenses. In recent years, the City has made substantial progress in improving its infrastructure and addressing its equipment needs. The City did put projects and equipment purchases on hold where possible in 2022 but returned to completing projects and purchasing equipment as planned in 2023.

Debt Service - The City's debt service is funded by property taxes and includes a 12-mill levy limit established by Ordinance. Debt management policies established by the Commission include a net direct debt outstanding per capita limit of $1,000, an overall debt limit of 10 percent of assessed value, and a debt-service limit of 15 percent of governmental fund expenses. These policies are specific to general obligation debt related to governmental activities, not any debt related to business type funds as that debt is meant to be repaid with revenues generated by those funds. The Commission reviews debt policy limits annually during the budget process. For 2023, all of the three measures are within the limits set forth: the debt per capita amount is $772. The ratio of net direct debt to assessed valuation is 9.8% and the ratio of debt service payments to governmental funds expenditures is 5.5%.

Internal Controls - Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Investing – The City determines idle cash available for investing for selected time frames and solicits bids from local banks for certificates of deposit. Local banks are required to match the rate established by the State Municipal Investment Pool, or the money is invested in the state pool. The City does not have any idle cash invested in local banks or the state pool, due to the historic low interest rates. The City earns interest on its operating account at a local bank at a rate of 0.71 above the 91-day Treasury bill yield. Treasury bill yields are currently so low that the City has not earned interest on its operating account since March 2020.

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. All potential claims, and/or liabilities are reported immediately when it becomes evident that a loss has occurred, or a claim may be made.

The City has addressed the potential risk by purchasing various commercial insurance policies for certain insurable causes of loss. These policies cover liability, employee dishonesty, public official's liability, property damage to buildings, contents, and other personal property. Losses due to earthquakes and terrorism have been

excluded. The City established an insurance reserve fund to fund the deductible portion of losses. The balance at the end of 2023 was $65,333.

Spending Limits - The state limits annual spending in each fund to the amount budgeted. Prior to spending an amount more than the budgeted amount, the City must hold a public hearing with notice published a minimum of 10 days in advance.

Major initiatives

In November of 2011, the City reached an agreement on a consent order with the Kansas Department of Health and Environment to address run-off sewer discharge, a byproduct of the City's combined storm/sewer system. The agreement provides a reasonable plan of action that promotes environmental health without unduly burdening the taxpayers of Atchison.

The City had implemented a CSO fee in 2015 to begin addressing the revenue requirements of the consent order. The CSO fee is a flat charge for all residential customers, and it is usage based for commercial and industrial customers. In late 2016, KDHE agreed to release the city from the $3.1 million in revenue requirement and in return, the city agreed to complete certain projects in a timely manner and update the long-term control plan.

The City has made substantial progress addressing the initiatives set forth by the consent agreement. In 2014, preliminary design began on a "store and treat" project to bring the 11th & 14th Street Combined Sewer Overflows (CSO) into compliance. After completing a preliminary study, the engineers determined that Watershed Dam 6 overflows are the single largest contributing factor to overflows in the 14th Street sewer shed. The design of a project to directly connect the Dam 6 Overflow to White Clay Creek began in 2016 and after multiple delays designs were completed in 2018. Construction of Phase I of the project was largely completed in 2019 and Phase II was completed in 2020. The long-term control plan has been finalized and accepted by KDHE.

In 2021, the City issued temporary notes to fund the construction of infrastructure in a forty-eight-lot subdivision. Permanent financing was secured in early 2022 and will be paid by the lot owners over the next 15 years via special assessments on the properties.

Through a partnership with an organization called Network Kansas, the City of Atchison offers a locally controlled, revolving small business loan fund. Working with a local bank, aspiring entrepreneurs and existing small businesses in Atchison can lower their overall interest rate as they startup, expand, or acquire a small business in Atchison County. During 2023, the City did not grant any new loans.

Projects planned for 2023 include the KDOT funded airport apron expansion project at the Amelia Earhart Airport, a CDBG sidewalk replacement project by the Atchison Middle School, a 3-year mill and overlay construction project, repair to the radial collection wells and continued efforts on the new runway at the Amelia Earhart Airport.

Awards and Acknowledgements

Due to the turnover in Staff during the beginning of 2023, the City was not able to complete the annual audit for 2022 timely in order to qualify for the Certificate of Achievement for Excellence in Financial Reporting with the Government Finance Officers Association (GFOA). This is the first year in twenty-five years the City has not been able to achieve this prestigious award. After getting back to a full staff, the City has been able to complete the 2023 audit timely and is able to qualify for the Certificate of Achievement for Excellence with the GFOA. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized comprehensive annual financial report that satisfied 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.

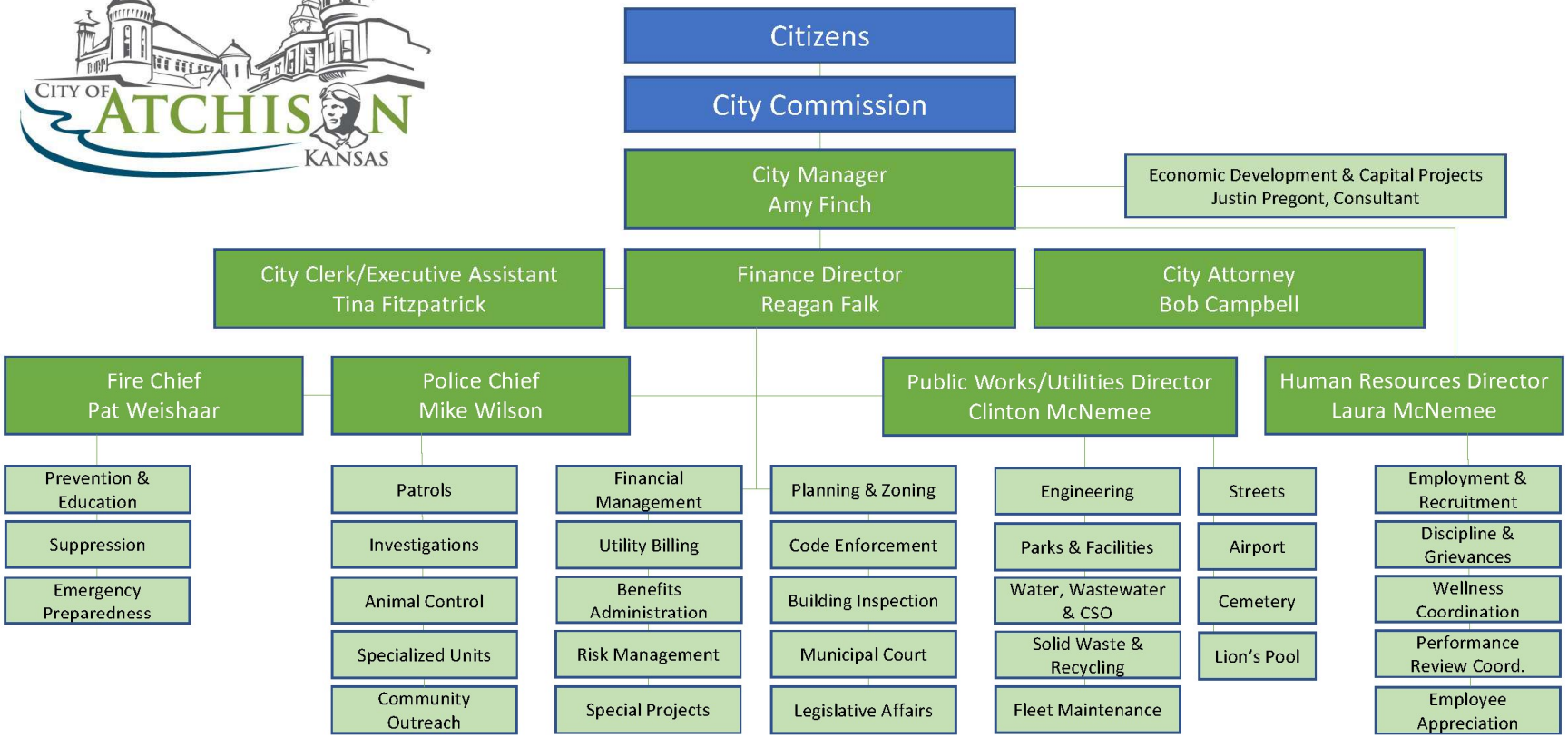
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Reagan Falk
Finance Director

Clinton McNemee
Interim City Manager

City of Atchison Organizational Chart



11/17/2023

CITY OF ATCHISON, KANSAS

List of Elected and Appointed Officials

December 31, 2023

ELECTED OFFICIALS

Lisa Moody
Mayor
Term Expires December 2023

Abby Bartlett
Vice-Mayor
Term Expires December 2023

Larry Wilcox
Commissioner
Term Expires December 2023 (appointed 2/14/22)

La Rochelle Young
Commissioner
Term Expires December 2025 (appointed 12/19/2022)

Jesse Greenly
Commissioner
Term Expires December 2023

APPOINTED OFFICIALS

Amy Finch
City Manager

Michael A. Wilson
Chief/Director of Police Services

Clinton McNemee
Director of Public Works and Utilities

Pat Weishaar
Chief/Director of Fire Services

Reagan Falk
Director of Finance

Laura McNemee
Director of Human Resources

Tina Fitzpatrick
City Clerk

Robert Campbell
City Attorney

Pat Henderson
Municipal Judge

Financial Section

2023

BT & Co. P.A.
Certified Public Accountants

4301 SW Huntoon St. Topeka, KS 66604 | t:785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: btandcocpa.com

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Commission
City of Atchison, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Atchison, Kansas (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Kansas Municipal Audit and Accounting Guide. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1 of the financial statements, the City implemented Governmental Accounting Standards Board Statement No. 96, Su*bscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

As described in Note 1 to the financial statements, the financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide

any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions to 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 a report dated July 2, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BT+ Co., P.A.

July 2, 2024
Topeka, Kansas

City of Atchison, Kansas
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2023

This section of the report contains an overview and an analysis of the City of Atchison's financial statements for the fiscal year ended December 31, 2023. This document and the information contained in the transmittal letter are intended to provide the reader of the financial statements with a well-rounded picture of the City's financial condition.

Financial Highlights

- The City's total assets exceeded its total liabilities by $57,649,944. Of this amount, $8,237,460 of unrestricted net position may be used to meet the City's ongoing obligations.
- The net position of the City's governmental activities increased by $1,363,898 (or 4.82%) while the net position of business activities decreased by $236,296 (.84%).
- The City's deferred outflow of resources decreased by $308,516 (or 11.27%) while the deferred inflow of resources increased by $320,326 (or 4.45%).
- At the end of 2022, the total fund balance for the general fund was $4,551,804 which is 44% of general fund expenditures.

Overview of the Financial Statements

The City's basic financial statements include the government-wide financial statements and the fund financial statements. The notes to the financial statements follow the basic financial statements and are essential for understanding them. The report also contains additional supplementary information to assist the reader.

Government-wide Financial Statements

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

The Statement of Net Position presents information for the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Increases or decreases in net position may serve as a useful indicator over time of whether the financial position of the City of Atchison is improving or deteriorating.

The Statement of Activities shows the revenues and expenses related to specific programs, and how the government's net position changed during the fiscal year. This statement is presented on the accrual basis so that transactions are reflected as they occur, and not as cash is impacted.

Both statements distinguish functions of the City that are supported by taxes and intergovernmental revenues from functions that recover their costs through user fees and charges. The governmental activities include general government, public safety, public works, and parks and recreation. The business-type activities include the water and wastewater utilities and refuse operations. Business activities are operations that are intended to recover most, if not all, of their costs through user fees and charges.

The government-wide financial statements include a city library as a discretely presented component unit. See note 1 to the financial statements for a more complete description of the relationship between this entity and the City.

Fund Financial Statements

A fund is a fiscal entity with accounts for recording balances of resources, liabilities, equity, revenues, and expenditures. Funds are segregated for specific activities or objectives, in accordance with regulations, restrictions or limitations. City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental fund financial statements are prepared on the modified accrual basis. Under this approach, revenues are recognized when measurable and available, and expenditures are recognized when the related fund liabilities are incurred except for capital outlays and long-term debt and other similar items that are recorded when due. Governmental funds are used to account for the same functions included in the government-wide financial statements, but the focus is on the short-term financial condition rather than the City as a whole. The reconciliation at the end of the fund financial statements explains the relationship between governmental fund financial statements and government-wide financial statements.

The City maintains one type of proprietary fund, enterprise funds. The City uses enterprise funds to account for its water and wastewater utilities and refuse operations. These funds are prepared on the accrual basis of accounting and present the same information included in the government-wide financial statements in greater detail.

Fiduciary funds are used by the City to account for resources held for the benefit of third parties. Because the resources of these funds are not available for the City's operations, they are not presented in the government-wide financial statements. The Fiduciary funds include the Amelia Earhart Festival, Santa Fe Depot Enhancement, and Veterans Memorial Park funds. A combining statement can be found in the supplementary information following the notes to the financial statements.

Notes to the Financial Statements

The notes are an integral part of the financial statements and provide essential information for a full understanding of the data provided in those statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the City's progress in funding its obligation to provide pension and post-employment benefits to its employees and the City's general fund budgeted and actual expenditures. The combining statements for the combined general fund and non-major funds are included after the required supplementary information. The Statistical section of the report includes historical financial information and other data about the City.

Analysis of the Government-wide Statements

Net Position

Net position may serve as a useful indicator of the City's financial condition. The City's government-wide net position increased by $1,127,602, or 2.0%, for the fiscal year ended December 31, 2023. The largest portion of the City's net position (82.9%) is in capital assets (land, buildings, infrastructure, vehicles and machinery and equipment); less any debt related to those assets still outstanding.

Combined Net Position of the City on December 31 was:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 18,189,203	$ 17,398,527	$ 8,492,765	$ 8,977,089	$ 26,681,968	$ 26,375,616
Capital assets	37,562,866	33,383,928	32,195,617	32,287,392	69,758,483	65,671,320
Total assets	55,752,069	50,782,455	40,688,382	41,264,481	96,440,451	92,046,936
Deferred outflows of resources	2,079,152	2,297,564	350,894	440,998	2,430,046	2,738,562
Long-term liabilities	18,713,786	16,701,629	12,729,358	13,213,682	31,443,144	29,915,311
Other liabilities	2,024,766	882,984	225,917	258,461	2,250,683	1,141,445
Total liabilities	20,738,552	17,584,613	12,955,275	13,472,143	33,693,827	31,056,756
Deferred inflows of resources	7,410,601	7,177,236	116,125	29,164	7,526,726	7,206,400
Net position:						
Net investment in capital assets	27,137,458	24,972,948	20,679,162	20,385,316	47,816,620	45,358,264
Restricted	1,595,864	2,905,693	-	-	1,595,864	2,905,693
Unrestricted	948,746	439,529	7,288,714	7,818,856	8,237,460	8,258,385
Total net position	$ 29,682,068	$ 28,318,170	$ 27,967,876	$ 28,204,172	$ 57,649,944	$ 56,522,342

Governmental Activities

The City's governmental activities ended 2023 with positive net position. Cash balances increased by $1,490,995, or 18.2%, compared to an 18.5% increase from 2021 to 2022. The cash balance increase is attributable in large part to the sales tax and franchise tax receipts exceeding budget expectations as well as conservative spending throughout the operational budgets. Capital assets increased by $4,178,938, or 12.5%. Notable projects completed in 2023 include the brick street approaches, Forest Park and Main improvement, 2022 CDBG Sidewalks, and 294th Road rehab.

The deferred outflow of resources decreased by $218,412, or 9.5%, largely due to changes in the net difference between projected and actual earnings on pension plan investments as well as changes in assumptions and our proportionate share of the pension plan.

Total liabilities increased $3,153,939, or 17.9%. Short-term liabilities, which include accounts payable, accrued liabilities, temporary notes payable, and accrued interest payable, increased by $1,141,782, or 129.3%. Accounts payable increased 23.4%. Long-term liabilities increased by $2,012,157, or 12.04%. The increase in long-term liabilities is due to the addition of two lease purchase agreements.

The deferred inflow of resources increased by $233,365, or 3.3%, due to the net difference between projected and actual earnings on pension plan investments.

Business-type activities

The City's business-type activities ended 2023 with positive net position.

The total cash position decreased by $401,403, or 5.2%. Receipts from customers increased in 2023 by 6.8% and operating expenses increased by 3.0%. Rates for residential water customers were unchanged while commercial

rates increased by 5% in 2023. Wastewater and combined sewer overflow charges were increased by 1% and 2.5% respectively in 2023.

Capital assets decreased by $91,775, or .3%. The decrease is due to a significant decrease in buildings and systems for 2023.

The deferred outflow of resources decreased by $90,104, or 20.4%, largely due to changes in the net difference between projected and actual earnings on pension plan investments as well as changes in assumptions and our proportionate share of the pension plan.

Total liabilities decreased by $516,868, or 3.8%. The decrease in liabilities is due to a decrease in General Obligation Bond ending balance and a slight decrease in the ending balance for financed purchases after making scheduled payments.

The deferred inflow of resources increased by $86,961, or 298.2%, due to the net difference between projected and actual earnings on pension plan investments.

Statement of Activities

Changes in net position of the city for the years ended December 31 were:

Changes in Net Position	**Governmental Activities**		**Business-Type Activities**		**Total**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Revenues:						
Program revenues:						
Charges for services	$ 975,735	$ 892,810	$ 8,333,404	$ 7,683,489	$ 9,309,139	$ 8,576,299
Operating grants and contributions	1,341,044	2,474,942	50,000	-	1,391,044	2,474,942
Capital grants and contributions	2,251,174	2,105,118	-	-	2,251,174	2,105,118
General revenues:						
Property taxes	4,337,979	4,223,363	-	-	4,337,979	4,223,363
Other taxes	4,117,867	4,083,983	335,580	1,325,813	4,453,447	5,409,796
Unrestricted investment earnings	72,995	43,033	-	-	72,995	43,033
Other	-	(186,228)	-	58,900	-	(127,328)
Total revenues	13,096,794	13,637,021	8,718,984	9,068,202	21,815,778	22,705,223
Expenses:						
General government	4,031,766	3,944,238	-	-	4,031,766	3,944,238
Public safety	4,840,705	4,216,301	-	-	4,840,705	4,216,301
Public works	2,582,076	2,317,454	-	-	2,582,076	2,317,454
Parks and recreation	877,018	863,203	-	-	877,018	863,203
Interest on long-term debt	378,151	214,712	-	-	378,151	214,712
Water	-	-	3,703,865	3,511,751	3,703,865	3,511,751
Wastewater	-	-	2,330,845	2,365,551	2,330,845	2,365,551
Refuse	-	-	547,516	597,171	547,516	597,171
Total expenses	12,709,716	11,555,908	6,582,226	6,474,473	19,291,942	18,030,381
Increase in net position before transfers	387,078	2,081,113	2,136,758	2,593,729	2,523,836	4,674,842
Transfers	2,373,054	2,424,616	(2,373,054)	(2,424,616)	-	-
Change in net position	2,760,132	4,505,729	(236,296)	169,113	2,523,836	4,674,842
Net position, beginning as previously stated	28,318,170	23,812,441	28,204,172	28,035,059	56,522,342	51,847,500
Prior period adjustments	(1,396,234)	-	-	-	(1,396,234)	-
Net position, beginning	26,921,936	23,812,441	28,204,172	28,035,059	55,126,108	51,847,500
Net position, ending	$ 29,682,068	$ 28,318,170	$ 27,967,876	$ 28,204,172	$ 57,649,944	$ 56,522,342

Governmental Activities

- Total revenues from governmental programs decreased by $540,227, or 4.0%. Operating grants and contributions decreased significantly in 2023, and charges for services increased slightly in 2023. Municipal court fines and fees and revenues for nuisance abatements decreased by 17%. Property tax collections increased slightly by 2% based on increased property valuations (see below for more detail) and strong delinquent tax collections. Sales tax collections remained nearly flat in 2023 with only a 1% increase compared to 2022.

- Total expenses increased by $1,153,808, or 10.0%. This increase can be attributed to salary increases and increased costs for fuel, utilities, and materials across the governmental activities.

- The tables below compare the mill levies and the related assessed values for the 2022 and 2023 budget. Per the County Appraiser, total assessed values increased by 13.6%. The real estate valuation increased 13.6% while the personal property valuation decreased by 4.4%. The Utilities valuation increased 9.4%. Finally, the value of property in the Neighborhood Revitalization program decreased in 2023. The owners of the property enjoy tax rebates for up to 10 years after construction or improvements to the property, but the improved value of the property is added back to the tax rolls based on the program's graduated rebate schedule. The net impact of the changes is a net increase in valuation of 12.4%. As noted in the table below, the mill levy decreased by just 3.552 mills.

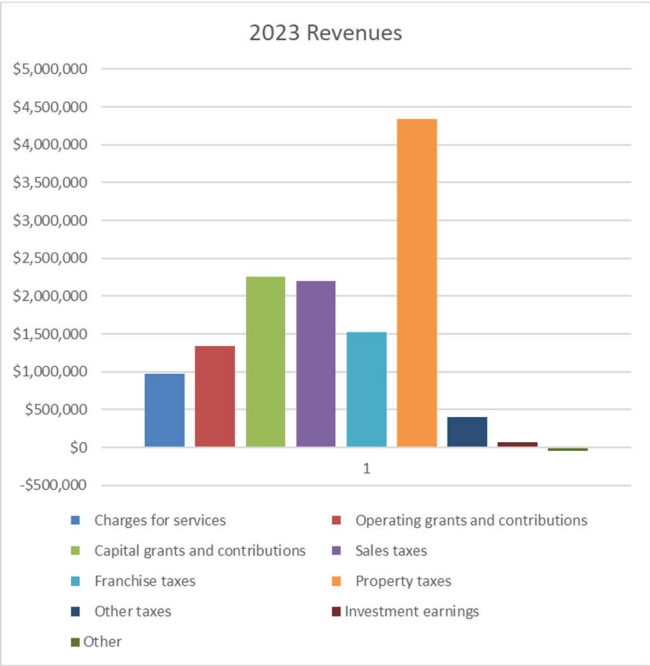
Mill Levy Rates

	2022 Levy to Support 2023 Budget	2021 Levy to Support 2022 Budget
General	38.421	41.448
Debt Service	8.972	9.480
Library	6.981	7.000
Total Levy	54.374	57.928

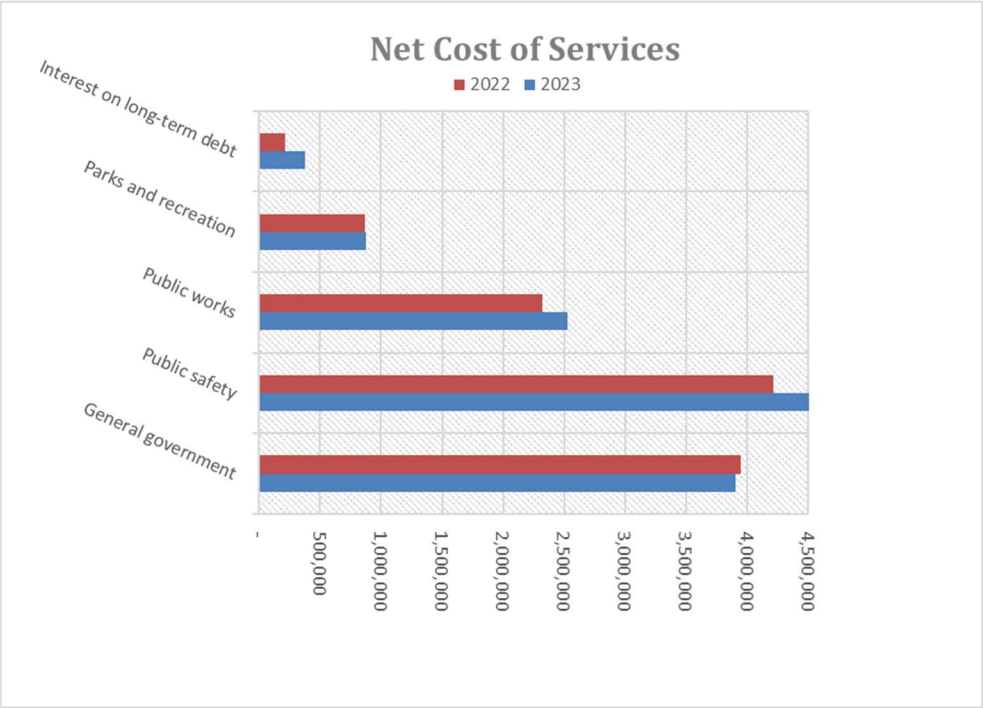
Assessed Valuation

	2022 Valuation to Support 2023 Budget	2021 Valuation to Support 2022 Budget	Increase/ (Decrease) Over Prior Year	% Change
Real Estate	$ 74,936,800	$ 65,955,559	$ 8,981,241	13.62%
Personal Property	2,958,251	3,095,415	(137,164)	-4.43%
Utilities	10,297,041	9,413,460	883,581	9.39%
Neighborhood Revitalization	(3,810,517)	(4,210,040)	399,523	-9.49%
	$ 84,381,575	$ 74,254,394	$ 10,127,181	13.64%

The following graph illustrates the composition of 2023 primary government revenues.



The following graph compares the net cost of services for governmental activities in 2023 and 2022:



The total cost of services in 2023 was $12,709,716; however, $3,592,218 was funded by users directly benefiting from the services, or by other organizations through operating and capital grants and contributions. The City's taxpayers, primarily through property taxes, franchise fees and sales taxes, paid the remaining $9,117,498 of these services.

Business-type Activities

Total revenues for business activities decreased by $349,218, or 3.9%. Revenue from charges for services increased 8.5%. The City did implement rate increases in 2023: water 5% for commercial users, wastewater 1% and CSO fees by 2.5%. Sales tax collections used to fund the solid waste department decreased by $990,233, or 74.7%.

Expenses for business-type activities increased by $107,753 (1.7%). Personnel costs increased slightly as the city was able to fill open positions throughout the year and due to annual pay increases. Spending for contractual services increased for the water fund in utility costs and decreased in the wastewater and solid waste funds.

Analysis of the Fund Financial Statements

The City uses fund accounting to enhance and demonstrate fiscal responsibility and compliance with finance related legal requirements.

	Total Fund Balance at December 31		Unrestricted Fund Balance at December 31	
	2023	2022	2023	2022
General	$ 4,551,804	$ 4,002,107	$ 4,551,804	$ 4,002,107
Capital Projects	2,408,547	1,914,606	2,318,002	1,826,964
Debt Service	322,010	339,109	-	-
Grant Funds	762,520	2,220,737	-	-
Water	13,572,745	14,615,882	1,348,726	2,314,005
Wastewater	12,808,247	12,410,269	4,308,479	4,319,945
Refuse	1,586,884	1,178,021	1,631,509	1,184,906
Total	$ 36,012,757	$ 36,680,731	$ 14,158,520	$ 13,647,927

Financial Analysis of the Government's Funds

The focus of the City's governmental funds is to provide information about current inflows, outflows, and balances of spendable resources. The unrestricted fund balance is a helpful measure of the City's resources available for expenditure at the end of the year. Overall, the City's major funds experienced a slight 1.8% decrease in total fund balance because of 2023 operations.

The general fund is the main operating fund of the City. As of December 31, 2023, the unassigned balance for the general fund was $3,342,155. To assess the liquidity of a fund it may be useful to compare the fund balance (total and unassigned) to the fund's total expenditures. For 2023, the unassigned fund balance is 32.4% of fund expenditures and the total fund balance is 32.0% of expenditures. The General Fund balance increased by 13.7% from 2022. General fund revenues decreased by 1% and expenditures increased 12.3% from 2022. Other financing sources increased by 1,873,983 (281.2%).

There was an increase in the capital projects fund balance of 25.8%. The capital projects fund does not lend itself to year over year comparison because project spending tends to vary depending upon the priorities of the City Commission and the resources available.

There was a decrease in the debt service fund balance of 5%. No new debt was issued during 2023 and the reduced fund balance can be attributed to principal and interest payments made that paid down the outstanding debt balance.

There was a decrease in the grant fund balance of 65.7%. Like the capital projects fund, the grants fund does not lend itself to year over year comparison because grant applications are driven by project priorities set by the City Commission and funds are contingent upon an award. There was not a large donation of funds received in 2023.

The Water Fund balance decreased by 7.1% to $13,572,745. The operating revenues of the water fund decreased by 1.2%, and operating expenses increased by 6.2%.

The Wastewater Fund balance increased by 3.2% to $12,808,247. Revenues decreased slightly by 0.77% while operating expenses, less depreciation, increased by 3.2%. The fund had an operating income of $527,279 at year end. Capital contributions to the fund increased $256,149.

The Refuse Fund balance increased 34.7% to $1,586,884. While the sales tax revenues used for this fund decreased by 74.7% in 2023, operating expenses decreased by 8.1% due to the overall expenses being down for 2023.

General Fund Budgetary Highlights

The following revenue and expenditure categories experienced significant differences between budgeted versus actual expenditures. Overall, the General Fund ended the year with a positive budget variance.

- Sales taxes and Transient Guest Taxes: sales taxes did not exceed budget expectations in 2023 coming in 1.5% lower than budgeted. Transient Guest Tax collections exceeded expectations in 2023 by 34.3%.
- Franchise taxes: energy costs were higher in 2023, in part due to charges passed on by energy companies to recoup the cost of a large winter storm in 2021-2022, therefore gross sales which franchise fees are calculated on were also higher, resulting in franchise taxes exceeding budget expectations for 2023.
- Licenses and permits: building permits were higher than expected with two large and three significant projects permitted.
- Expenditures: Several departments experienced significant variances against budget. Most of the variances are positive:
    - City Manager: expenses came under budget expectations in 2023 by 19.1%. Due to contractual services coming in significantly under budget by 56%.
    - Human Resources: salary exceeded budget expectations in 2023.
    - Finance: personnel costs were less than budget because of mid-year personnel changes that resulted in one employee being expensed from the economic development funds and one position partially paid from Finance that remained vacant through the end of the year.
    - Community Development: personnel costs came in below budget expectations due to a vacancy where salary is split with Finance that remained open through the end of the year. This department had savings in contractual services i.e., neighborhood assistance, nuisance abatement and professional services.
    - Atchison Event Center: At the end of 2020, the operations of the Event Center were turned over to a local non-profit resulting in budget savings to the city. Contractual and materials and supplies expenses came in under budget expectations for 2023.
    - Fire: Personnel costs at the Fire department were over budget due to personnel costs, overtime costs and group health insurance costs being higher than were budgeted for.
    - Police: salaries and workers compensation insurance costs were lower than budgeted in this department. Group health insurance went slightly over for 2023. Higher fuel prices, increased vehicle expenses, and increased cost for equipment and repairs created a negative budget variance in materials and supplies. Overall, the police budget ended with a negative budget variance.
    - Animal Control: health insurance was higher than budget expectations; overtime, professional services, and supplies costs were lower than budget expectations, creating a slightly positive budget variance.
    - Facilities: costs for utilities and maintenance came in below budget expectations, creating a positive budget variance.
    - Public Works Administration: this department had savings in part-time salaries and small savings in contractual services.
    - Parks: Personnel services are under budget because of savings in health insurance costs and utilities and difficulty in keeping positions filled in 2023. Fuel, chemical, and parts and materials costs had a negative impact on the budget. Overall, this budget ended with a positive budget variance.
    - Municipal Pool: In 2023, staffing resumed normal levels compared to 2022. All expenses except supplies came in under budget expectations, causing a positive budget variance of 19.3%.

Capital Assets and Debt Administration

Capital Assets

The City's total investment in capital assets as of December 31, 2023, was $69,758,483 (net of accumulated depreciation). This is a 6.2% increase from 2022. A breakdown of assets by category is presented below.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 3,123,254	$ 3,123,254	$ 101,537	$ 101,537	$ 3,224,791	$ 3,224,791
Construction in Progress	1,806,417	1,475,513	176,181	135,455	1,982,598	1,610,968
Buildings and systems	5,275,507	5,551,562	30,071,554	30,318,734	35,347,061	35,870,296
Improvements	4,814,983	5,215,170	-	-	4,814,983	5,215,170
Machinery and equipment	1,728,317	1,270,824	1,846,345	1,731,666	3,574,662	3,002,490
Infrastructure	19,919,881	16,747,605	-	-	19,919,881	16,747,605
Subscription Asset	894,507	-	-	-	894,507	-
	$ 37,562,866	$ 33,383,928	$ 32,195,617	$ 32,287,392	$ 69,758,483	$ 65,671,320

Construction in progress increased significantly due to several projects including the ongoing airport runway project and the start of a street rehabilitation project, and park improvement projects. Notable projects completed in 2023 include the brick street approaches, Forest Park and Main improvement, 2022 CDBG Sidewalks, and 294th Road rehab.

Additional information regarding the City's capital assets can be found in Notes 1 and 6 in the notes to the financial statements.

Debt Administration

Long-term debt – The outstanding general obligation bonds on December 31, 2023, totaled $8,233,474 and the outstanding bonds supported by revenues of business activities totaled $10,840,000. In 2023, Moody's Investor Services gave the city an "A1" credit rating, positively impacting rates for future bond issuances.

The ratio of general obligation bonded debt to assessed valuation and the amount of bonded debt per capita provide useful indicators of the City's debt position to citizens, elected officials, City management and investors. This data for the city at the end of 2023 is presented below.

	Net General Obligation Debt	Ratio of Debt to Assessed Value	Debt Per Capita
2023	$ 8,233,474	9.76%	$ 767

State statutes limit net general obligation debt to 30 percent of assessed value. On December 31, 2022, taxable assessed valuation was $84,381,575 and net bonded debt was $7,902,751. The City's debt margin totaled $17,411,722.

Additional information regarding the City's debt can be found in Note 11 in the notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. In compliance with the Kansas Open Records Act, questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk, 515 Kansas Avenue, Atchison, Kansas 66002.

Basic Financial Statements

2023

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

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Public Library
Assets:				
Cash and cash equivalents	$ 9,667,712	$ 7,329,017	$ 16,996,729	$ 386,114
Restricted cash and investments	90,545	-	90,545	68,958
Receivables, net of allowance for uncollectibles:				
Taxes	4,215,084	-	4,215,084	648,284
Intergovernmental	66,984	-	66,984	-
Accounts	108,081	1,163,748	1,271,829	-
Interest	37,502	-	37,502	-
Loans	38,386	-	38,386	-
Leases	2,703,877	-	2,703,877	-
Special assessments	1,261,032	-	1,261,032	-
Capital assets, net of accumulated depreciation/amortization:				
Land	3,123,254	101,537	3,224,791	8,995
Construction in progress	1,806,417	176,181	1,982,598	-
Books	-	-	-	20,174
Buildings and systems	5,275,507	30,071,554	35,347,061	780,703
Improvements	4,814,983	-	4,814,983	-
Machinery and equipment	1,728,317	1,846,345	3,574,662	25,961
Infrastructure	19,919,881	-	19,919,881	-
Subscription asset	894,507	-	894,507	278,240
Total assets	55,752,069	40,688,382	96,440,451	2,217,429
Deferred outflows of resources:				
Deferred outflows - OPEB	197,134	-	197,134	-
Deferred outflows - pension	1,882,018	350,894	2,232,912	73,971
Total deferred outflows of resources	2,079,152	350,894	2,430,046	73,971
Liabilities:				
Accounts payable	877,422	137,183	1,014,605	-
Health insurance payable	125,463	-	125,463	-
Accrued liabilities	94,224	23,630	117,854	-
Accrued interest payable	81,832	65,104	146,936	-
Deferred revenue	845,825	-	845,825	-
Noncurrent liabilities:				
Due within one year	1,548,219	1,090,265	2,638,484	82,859
Due in more than one year	17,165,567	11,639,093	28,804,660	461,907
Total liabilities	20,738,552	12,955,275	33,693,827	544,766
Deferred inflows of resources:				
Deferred inflows - property taxes	3,722,286	-	3,722,286	648,284
Deferred inflows - OPEB	553,741	-	553,741	-
Deferred inflows - pension	447,407	116,125	563,532	14,050
Deferred inflows - leases	2,687,167	-	2,687,167	-
Total deferred inflows of resources	7,410,601	116,125	7,526,726	662,334
Net position:				
Net investment in capital assets	27,137,458	20,679,162	47,816,620	835,298
Restricted for:				
Substance abuse prevention and emergency shelter	749,337	-	749,337	-
Capital projects and maintenance	194,896	-	194,896	-
Debt service	330,723	-	330,723	-
Library projects	-	-	-	30,022
Public safety	38,188	-	38,188	-
Parks and recreation facilities	105,939	-	105,939	-
Acquisition and re-development of property	176,781	-	176,781	-
Unrestricted	948,746	7,288,714	8,237,460	218,980
Total net position	$ 29,682,068	$ 27,967,876	$ 57,649,944	$ 1,084,300

See accompanying notes to basic financial statements.

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Public Library
Primary government:								
Governmental activities:								
General government	$ 4,031,766	$ 636,869	$ 964,771	$ -	$ (2,430,126)	$ -	$ (2,430,126)	$ -
Public safety	4,840,705	98,841	32,179	(225)	(4,709,910)	-	(4,709,910)	-
Public works	2,582,076	240,025	289,707	2,031,152	(21,192)	-	(21,192)	-
Parks and recreation	877,018	-	54,387	220,247	(602,384)	-	(602,384)	-
Interest on long-term debt	378,151	-	-	-	(378,151)	-	(378,151)	-
Total governmental activities	12,709,716	975,735	1,341,044	2,251,174	(8,141,763)	-	(8,141,763)	-
Business-type activities:								
Water	3,703,865	4,778,790	50,000	-	-	1,124,925	1,124,925	-
Wastewater	2,330,845	2,806,531	-	-	-	475,686	475,686	-
Refuse	547,516	748,083	-	-	-	200,567	200,567	-
Total business-type activities	6,582,226	8,333,404	50,000	-	-	1,801,178	1,801,178	-
Total primary government	$ 19,291,942	$ 9,309,139	$ 1,391,044	$ 2,251,174	(8,141,763)	1,801,178	(6,340,585)	-
Component unit:								
Public Library	$ 711,848	$ 7,074	$ 65,726	$ -	-	-	-	(639,048)
General revenues:								
Property taxes					4,337,979	-	4,337,979	657,969
Sales taxes					2,200,385	335,580	2,535,965	-
Franchise taxes					1,519,983	-	1,519,983	-
Guest taxes					266,842	-	266,842	-
Payment in lieu of taxes					28,045	-	28,045	-
Special assessments					102,612	-	102,612	-
Unrestricted investment income					72,995	-	72,995	16,567
Miscellaneous revenue					-	-	-	65,987
Transfers					2,373,054	(2,373,054)	-	-
Total general revenues and transfers					10,901,895	(2,037,474)	8,864,421	740,523
Change in net position					2,760,132	(236,296)	2,523,836	101,475
Net position, beginning of year					28,318,170	28,204,172	56,522,342	982,825
Prior period adjustment					(1,396,234)	-	(1,396,234)	-
Net position, beginning of year restated					26,921,936	28,204,172	55,126,108	982,825
Net position, end of year					$ 29,682,068	$ 27,967,876	$ 57,649,944	$ 1,084,300

See accompanying notes to basic financial statements.

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

	General*	Capital Projects	Debt Service	Grant Funds	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	$ 4,635,313	$ 2,571,362	$ 322,010	$ 1,608,124	$ 530,903	$ 9,667,712
Restricted cash and investments	-	90,545	-	-	-	90,545
Receivables (net of allowance for uncollectibles):						
Taxes	3,544,710	-	670,374	-	-	4,215,084
Intergovernmental	-	56,056	-	10,928	-	66,984
Accounts	108,081	-	-	-	-	108,081
Interest	37,502	-	-	-	-	37,502
Loans	38,386	-	-	-	-	38,386
Leases	2,703,877	-	-	-	-	2,703,877
Special assessments	-	-	1,261,032	-	-	1,261,032
Total assets	$ 11,067,869	$ 2,717,963	$ 2,253,416	$ 1,619,052	$ 530,903	$ 18,189,203
Liabilities, deferred inflows of resources, and fund balances:						
Liabilities:						
Accounts payable	$ 557,299	$ 309,416	$ -	$ 10,707	$ -	$ 877,422
Accrued payroll	94,224	-	-	-	-	94,224
Estimated insurance claims	125,463	-	-	-	-	125,463
Deferred revenue	-	-	-	845,825	-	845,825
Total liabilities	776,986	309,416	-	856,532	-	1,942,934
Deferred inflows of resources:						
Deferred inflows - property taxes	3,051,912	-	670,374	-	-	3,722,286
Deferred inflows - special assessments	-	-	1,261,032	-	-	1,261,032
Deferred inflows - leases	2,687,167	-	-	-	-	2,687,167
Total deferred inflows of resources	5,739,079	-	1,931,406	-	-	7,670,485
Fund balances:						
Restricted:						
Substance abuse prevention and emergency shelter	-	-	-	682,763	66,574	749,337
Capital projects and maintenance	-	-	-	12,467	182,429	194,896
Public safety	-	-	-	38,188	-	38,188
Parks and recreation facilities	-	-	-	29,102	76,837	105,939
Debt service	-	90,545	322,010	-	-	412,555
Acquisition and re-development of property	-	-	-	-	176,781	176,781
Assigned:						
Purchases on order - finance	31,256	-	-	-	-	31,256
Subsequent year's budget - appropriation of fund balance	1,178,393	2,318,002	-	-	28,282	3,524,677
Unassigned	3,342,155	-	-	-	-	3,342,155
Total fund balances	4,551,804	2,408,547	322,010	762,520	530,903	8,575,784
Total liabilities, deferred inflows of resources, and fund balances	$ 11,067,869	$ 2,717,963	$ 2,253,416	$ 1,619,052	$ 530,903	$ 18,189,203

* See the General Fund Combining Balance Sheet on page 92.

See accompanying notes to basic financial statements.

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

Total fund balance in governmental funds balance sheet	$	8,575,784
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		37,562,866
Other long-term assets are not available to pay for current expenditures and therefore are reported as unavailable in the funds.		1,261,032
Deferred outflows represent a consumption of net position that applies to a future period and so will not be recognized as an expenditure of resources until then.		2,079,152
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(18,795,618)
Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as a revenue until then.		(1,001,148)
Net position of governmental activities	$	29,682,068

See accompanying notes to basic financial statements.

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

	General*	Capital Projects	Debt Service	Grant Funds	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Property	$ 3,517,900	$ -	$ 820,079	$ -	$ -	$ 4,337,979
Sales	2,182,240	18,145	-	-	-	2,200,385
Franchise	1,519,983	-	-	-	-	1,519,983
Transient guest	255,108	11,734	-	-	-	266,842
Payments in lieu of taxes	28,045	-	-	-	-	28,045
Special assessments	-	-	101,580	-	-	101,580
Intergovernmental	159,937	1,822,172	-	571,939	398,481	2,952,529
Licenses and permits	113,783	-	-	-	-	113,783
Charges for services	366,260	-	-	-	-	366,260
Fines and fees	174,252	-	-	-	-	174,252
Interest on investments	69,084	3,911	-	-	-	72,995
Operating grants	8,690	-	-	-	-	8,690
Other	47,434	213,041	16,667	25,109	78,990	381,241
Total revenues	8,442,716	2,069,003	938,326	597,048	477,471	12,524,564
Expenditures:						
Current:						
General government	2,524,080	720	-	658,540	225,872	3,409,212
Public works	1,543,410	-	-	-	-	1,543,410
Public safety	4,092,453	-	-	491	1,481	4,094,425
Parks and recreation	751,860	-	-	-	8,113	759,973
Debt service:						
Principal	231,962	115,200	790,000	-	-	1,137,162
Interest and fiscal charges	51,393	24,578	165,425	-	-	241,396
Capital outlay	1,238,238	5,029,564	-	-	-	6,267,802
Total expenditures	10,433,396	5,170,062	955,425	659,031	235,466	17,453,380
Excess (deficiency) of revenues over (under) expenditures	(1,990,680)	(3,101,059)	(17,099)	(61,983)	242,005	(4,928,816)
Other financing sources (uses):						
Sale of capital assets	17,435	-	-	-	-	17,435
Issuance of general obligation bonds	-	1,415,000	-	-	-	1,415,000
Issuance of lease obligations	1,654	-	-	-	-	1,654
Issuance of notes payable - financed purchases	722,404	-	-	-	-	722,404
Issuance of SBITA liabilities	391,448	-	-	-	-	391,448
Insurance recoveries	282,438	-	-	-	-	282,438
Transfers in	1,324,851	2,180,000	-	-	20,000	3,524,851
Transfers out	(199,853)	-	-	-	(95,000)	(294,853)
Total other financing sources	2,540,377	3,595,000	-	-	(75,000)	6,060,377
Net change in fund balances	549,697	493,941	(17,099)	(61,983)	167,005	1,131,561
Fund balances, beginning of year	4,002,107	1,914,606	339,109	2,220,737	363,898	8,840,457
Prior period adjustments	-	-	-	(1,396,234)	-	(1,396,234)
Fund balances, beginning of year restated	4,002,107	1,914,606	339,109	824,503	363,898	7,444,223
Fund balances, end of year	$ 4,551,804	$ 2,408,547	$ 322,010	$ 762,520	$ 530,903	$ 8,575,784

*See the General Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances on page 93.

See accompanying notes to basic financial statements.

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

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	1,131,561
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 or amortization expense.		4,186,256
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position		(636,697)
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds		1,032
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(1,385,049)
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.		(536,971)
Change in net position of governmental activities	$	2,760,132

See accompanying notes to basic financial statements.

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

	Major Funds		Nonmajor Fund	
	Water	Wastewater	Refuse	Total
Assets:				
Current assets:				
Cash and cash equivalents	$ 1,338,363	$ 4,299,548	$ 1,691,106	$ 7,329,017
Receivables (net of allowance for uncollectibles):				
Accounts	663,822	384,037	115,889	1,163,748
Total current assets	2,002,185	4,683,585	1,806,995	8,492,765
Noncurrent assets:				
Capital assets:				
Land	84,396	17,141	-	101,537
Buildings and systems	36,332,905	25,007,368	-	61,340,273
Machinery and equipment	3,249,722	2,379,481	1,215,938	6,845,141
Construction in progress	33,864	142,317	-	176,181
Less accumulated depreciation	(19,847,555)	(15,700,295)	(719,665)	(36,267,515)
Total noncurrent assets	19,853,332	11,846,012	496,273	32,195,617
Total assets	21,855,517	16,529,597	2,303,268	40,688,382
Deferred outflows of resources:				
Deferred outflows - pension	157,819	136,492	56,583	350,894
Liabilities:				
Current liabilities:				
Accounts payable	72,214	56,954	8,015	137,183
Accrued payroll	16,175	3,747	3,708	23,630
Accrued interest payable	45,492	19,612	-	65,104
Accrued compensated absences - current	48,153	11,097	10,650	69,900
Bonds payable - current	665,000	245,000	-	910,000
Financed purchase - current	-	-	110,365	110,365
Total current liabilities	847,034	336,410	132,738	1,316,182
Noncurrent liabilities:				
Accrued compensated absences	43,509	3,315	18,404	65,228
Net pension liability	518,876	382,190	176,709	1,077,775
Bonds payable	6,964,313	3,101,244	-	10,065,557
Financed purchase	-	-	430,533	430,533
Total noncurrent liabilities	7,526,698	3,486,749	625,646	11,639,093
Total liabilities	8,373,732	3,823,159	758,384	12,955,275
Deferred inflows of resources:				
Deferred inflows - pension	66,859	34,683	14,583	116,125
Net position:				
Net investment in capital assets	12,224,019	8,499,768	(44,625)	20,679,162
Unrestricted	1,348,726	4,308,479	1,631,509	7,288,714
Total net position	$ 13,572,745	$ 12,808,247	$ 1,586,884	$ 27,967,876

See accompanying notes to basic financial statements.

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

	Major Funds		Nonmajor Fund	
	Water	Wastewater	Refuse	Total
Operating revenues:				
Charges for sales and services	$ 4,778,790	$ 2,806,531	$ 748,083	$ 8,333,404
Operating expenses:				
Personnel services	826,567	728,266	344,726	1,899,559
Contractual services	450,893	449,921	57,294	958,108
Supplies	574,707	57,605	69,016	701,328
Utilities	381,423	258,224	8,887	648,534
Depreciation	1,325,573	785,236	67,062	2,177,871
Total operating expenses	3,559,163	2,279,252	546,985	6,385,400
Operating income	1,219,627	527,279	201,098	1,948,004
Nonoperating revenues (expenses):				
Sales tax revenue	-	-	335,580	335,580
Intergovernmental	50,000	-	-	50,000
Interest expense	(144,702)	(51,593)	(531)	(196,826)
Total nonoperating revenues (expenses)	(94,702)	(51,593)	335,049	188,754
Income before transfers and capital contributions	1,124,925	475,686	536,147	2,136,758
Capital contributions	600,795	256,149	-	856,944
Transfers in	-	-	29,853	29,853
Transfers out	(2,768,857)	(333,857)	(157,137)	(3,259,851)
Change in net position	(1,043,137)	397,978	408,863	(236,296)
Net position, beginning of year	14,615,882	12,410,269	1,178,021	28,204,172
Net position, end of year	$ 13,572,745	$ 12,808,247	$ 1,586,884	$ 27,967,876

See accompanying notes to basic financial statements.

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

	Major Funds		Nonmajor Fund	
	Water	Wastewater	Refuse	Total
Cash flows from operating activities:				
Receipts from customers	$ 4,759,633	$ 2,782,256	$ 635,325	$ 8,177,214
Payments to suppliers	(1,423,131)	(765,113)	(141,125)	(2,329,369)
Payments to employees	(799,108)	(697,079)	(329,270)	(1,825,457)
Net change in cash from operating activities	2,537,394	1,320,064	164,930	4,022,388
Cash flows from noncapital financing activities:				
Proceeds from sales tax revenue	-	-	574,691	574,691
Intergovernmental revenue	50,000	-	-	50,000
Transfers in from other funds	-	-	29,853	29,853
Transfers to other funds	(2,768,857)	(333,857)	(157,137)	(3,259,851)
Net change in cash from noncapital financing activities	(2,718,857)	(333,857)	447,407	(2,605,307)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	(688,254)	-	(688,254)
Principal paid on financed purchases	-	-	(29,322)	(29,322)
Interest paid on capital debt	(151,903)	(63,474)	(531)	(215,908)
Principal paid on general obligation bonds	(645,000)	(240,000)	-	(885,000)
Net change in cash from capital and related financing activities	(796,903)	(991,728)	(29,853)	(1,818,484)
Net change in cash and cash equivalents	(978,366)	(5,521)	582,484	(401,403)
Cash and cash equivalents, beginning of year	2,316,729	4,305,069	1,108,622	7,730,420
Cash and cash equivalents, end of year	$ 1,338,363	$ 4,299,548	$ 1,691,106	$ 7,329,017
Reconciliation of operating income to net change in cash from operating activities:				
Operating income	$ 1,219,627	$ 527,279	$ 201,098	$ 1,948,004
Adjustments to reconcile operating income to net change in cash from operating activities:				
Items not requiring cash:				
Depreciation expense	1,325,573	785,236	67,062	2,177,871
Changes in:				
Accounts receivable	(22,663)	(24,275)	(112,758)	(159,696)
Intergovernmental receivable	3,506	-	-	3,506
Deferred outflows - pension	39,057	35,937	15,110	90,104
Accounts payable	(16,108)	637	(5,928)	(21,399)
Accrued compensated absences	1,721	5,227	3,502	10,450
Accrued payroll	(3,699)	(1,126)	565	(4,260)
Net pension liability	(47,315)	(43,534)	(18,304)	(109,153)
Deferred inflows - pension	37,695	34,683	14,583	86,961
Net change in cash from operating activities	$ 2,537,394	$ 1,320,064	$ 164,930	$ 4,022,388

Noncash capital financing activities:
Contributions of capital assets of $ 600,795 were acquired in the water fund from governmental funds.
Contributions of capital assets of $ 256,149 were acquired in the wastewater fund from governmental funds.
Capital assets of $ 540,898 were acquired in the refuse fund from financed purchase agreements.

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2023

	Custodial Funds
Assets:	
Cash and cash equivalents	$ 153,983
Liabilities:	
Due to others	735
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	153,248
Total liabilities and net position	$ 153,983

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2023

	Custodial Funds
Additions:	
Charges for service	$ 54,009
Contributions	282,133
Miscellaneous	(335)
Total additions	335,807
Deductions:	
Payments to others	227,256
Administrative	36,389
Miscellaneous	14,961
Total deductions	278,606
Net change in net position	57,201
Net position, beginning of year	96,047
Net position, end of year	$ 153,248

See accompanying notes to basic financial statements.

1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Atchison, Kansas (the City) was incorporated in 1858. The City operates under a City Commission - Manager form of government. The accompanying basic financial statements present the City (the primary government) and its component unit, an entity for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for the description) to emphasize that it is legally separate from the City.

Discretely Presented Component Unit. The Atchison Public Library (the Library) is operated by a Library Board which is appointed by the City Commission. The City levies and collects a special library tax to subsidize the Library's operations. The Library's operating budget is limited to seven mills by charter ordinance of the City Commission. The City must approve acquisition or disposition of real property by the Library, but the Library owns the capital assets. Bond issuances must also be approved by the City. The Library is presented as a governmental fund type. Separately issued financial statements for the Library are not available.

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund 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 generally considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 90-day availability period is used for revenue recognition for all governmental funds revenues except property taxes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property taxes, sales taxes, franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City. While property taxes receivable are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year end because statutory provisions prohibit their use until the year for which they were levied and budgeted. Instead, they are offset by unavailable revenue accounts.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund accounts for the general operating transactions of the City including public safety, public works, parks, recreation, and administration.

The capital projects fund is a fund used by the City for the acquisition and construction of major facilities other than those financed by the enterprise funds.

The debt service fund is a fund used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The grants fund is used to account for grant proceeds received from various funding sources.

The City reports the following major proprietary funds:

The water fund accounts for the operation and maintenance activities of the City's water distribution system.

The wastewater fund accounts for the operation and maintenance activities of the City's wastewater collection and treatment system.

Additionally, the City reports the following fund type:

Custodial funds are used to report resources held by the City in a custodial capacity for remittance to private organizations. These funds are held on behalf of the Amelia Earhart Festival, Santa Fe Depot Enhancement, and Veteran's Memorial Park.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and wastewater funds are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Pooled Cash and Investments

Cash and cash equivalents of the individual funds are combined to form a pool that is managed by the Director of Finance. Each fund's equity in the pool is included in "cash and cash equivalents" in the financial statements. These pooled funds consist of operating accounts. Investment earnings, including interest income, are allocated to the funds required to accumulate interest; other investment earnings are allocated based on management discretion and upon their average monthly 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, 2023, interest earnings allocated to the various funds were $ 72,995.

The City's investments are reported in the accompanying financial statements at fair value, except for the money market account which is recorded at cost as it is considered to be a cash equivalent.

The Library's investments at the Atchison Area Community Foundation (AACF) are pooled shares recorded at net asset value based on quoted market prices or at estimated fair value as reported by the fund manager. The fair value of the Library's position is the same as the pool value of the shares as reported by the fund manager. AACF invests in various other investments including private equity funds, fixed income and other alternative investments.

Cash Flows Statement

For purposes of the cash flows statement, the City considers deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade accounts receivable are shown net of an allowance for uncollectibles. Management records a trade accounts receivable allowance based on percentages of collection estimated from the aging of the accounts receivable. At December 31, 2023, an allowance for uncollectible receivables of approximately $ 833,000 has been recorded.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds unavailable revenue is reported as follows:

General fund property tax receivable	$ 3,051,912
General fund leases receivable	2,687,167
Debt service fund property tax receivable	670,374
Debt service fund special assessments receivable	1,261,032
	$ 7,670,485

Property Taxes

The City's property taxes are levied each year on the assessed value of all real estate listed as of the prior January 1, the lien date. Assessed values are established by the Atchison County Assessor. The assessed value for property located in the City on which the 2023 levy was based was $ 88,438,041.

Property taxes are legally restricted for use in financing operations of the ensuing year. Accordingly, the City defers revenue recognition until the year for which they are to be used. Property taxes are levied on November 1. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. Property taxes become delinquent on December 20 of each fiscal year if the taxpayer has not remitted at least one-half of the amount due. The 2022 tax levy per $ 1,000 of assessed valuation which supports the 2023 budget was as follows:

General Fund	$	38.421
Debt Service Fund		8.972
Component unit:		
Public Library		6.981
	$	54.374

Property taxes levied in prior years that remain uncollected are recorded as receivables, net of estimated uncollectibles.

Special Assessments Receivable

As required by State statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Further, State statutes permit levying additional general ad valorem property taxes in the City's debt service fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the City's debt service fund. Special assessment taxes are levied over a ten or twenty-year period and the annual installments are due and payable with annual ad valorem property taxes. At December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund and accrued as revenues in the statement of activities. Since they are not considered available spendable resources for the governmental funds, the special assessment receivables are reported as unavailable revenue in the fund financial statements.

Restricted Assets

Restricted investments consist of assets held by trustees for the sales tax special obligation revenue bonds.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks, and similar items), and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial 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 purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives.

Buildings and systems	20 - 40 years
Improvements	20 years

Machinery and equipment	3 - 10 years
Infrastructure	40 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first item is the deferred outflows – pension reported in the government-wide and proprietary fund statements of net position. The second item is deferred outflows - OPEB reported in the government-wide statement of net position. See Notes 7 and 8 for more information on the deferred outflows for the pension plan and OPEB, respectively.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has several types of items that qualify for reporting in this category. One item, deferred inflows from property taxes, is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. Deferred inflows from special assessments are reported in the governmental funds balance sheet. The other items are deferred inflows for leases, pension, and OPEB. See Notes 5, 7, and 8 for more information on the deferred inflows for the leases, pension plan, and OPEB, respectively.

Compensated Absences

Under the terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee with twenty years of service or more will receive accumulated sick leave up to a maximum of 120 days and all accumulated vacation leave, provided the employee has met all conditions set forth in Section VI of the City's personnel policy. An employee with fifteen to twenty years of service will receive one-half of accumulated sick leave, which is limited to a maximum of forty-five days, and all accumulated vacation leave in the event of termination. An employee with ten to fifteen years of service will receive one-fourth of accumulated sick leave, which is limited to a maximum of fifteen days, and all accumulated vacation leave in the event of termination. All vacation leave is accrued when incurred and the varying amounts of accumulated sick leave are accrued upon attaining ten, fifteen, and twenty years of service in the government-wide and proprietary financial statements. In the governmental fund financial statements, a liability is accrued when it has matured, for example, as a result of employee resignations and retirements.

Leases

The City is a party as lessor and lessee for various noncancellable long-term leases. The City recognizes lease obligations payable and an intangible right-to-use lease asset (lease asset) in the statement of net position. The City recognizes lease obligations payable with an initial, individual value of $ 5,000 or more.

At the commencement of a lease, the City initially measures the lease obligations payable at the present value of lease payments expected to be made during the lease term. Subsequently, the lease obligations

payable is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease obligations payable, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease obligations payable are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and obligations payable if certain changes occur that are expected to significantly affect the amount of the lease obligations payable.

Lease assets are reported with other capital assets and lease obligations payable are reported with long-term debt on the statement of net position.

Subscription-Based Information Technology Arrangements (SBITAs)

The City is a party for various noncancellable long-term SBITAs. The City recognizes a SBITA liability and an intangible right-to-use SBITA asset (subscription asset) in the statement of net position. The City recognizes SBITA liabilities with an initial, individual value of $ 5,000 or more.

At the commencement of a SBITA, the City initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected payments to present value, (2) SBITA term, and (3) payments. The City uses the interest rate charged by the other party as the discount rate. When the interest rate charged by the other party is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The SBITA term includes the noncancellable period of the SBITA. Payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription assets and SBITA liabilities if certain changes occur that are expected to significantly affect the amount of the SBITA liabilities.

Subscription assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

Long-Term Obligations

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

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

Pensions

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

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2023, fund balances for governmental funds are made up of the following:

Nonspendable fund balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balance – includes amounts that can only be spent for specific purposes determined by a formal action (adoption of an ordinance) of the City's highest level of decision-making authority, the City Commission. Commitments may be changed or lifted only by the City Commission taking the same formal action that imposed the constraint originally.

Assigned fund balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Commission or (2) a body or

official to which the City Commission has delegated the authority by resolution to assign amounts to be used for specific purposes.

Unassigned fund balance – is the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

Concentrations of Credit Risk

Unsecured credit is extended to customers for water and sewer fees and charges for services. Intergovernmental receivables include unsecured amounts due from federal, state, and county agencies for various grant programs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standard

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

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Beginning net position was not impacted by the adoption of this statement.

Pending Governmental Accounting Standards Board Statements

At December 31, 2023, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 99, *Omnibus 2022*, has objectives that are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance by the City. The requirements related to leases, PPPs, and SBITAs will be effective for the City in the fiscal year ending December 31, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will become effective for the City in the fiscal year ended December 31, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, has an objective to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement will become effective for the City in the fiscal year ended December 31, 2024.

GASB Statement No. 101, *Compensated Absences*, has an objective to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for the City in the fiscal year ended December 31, 2024.

GASB Statement No. 102, *Certain Risk Disclosures*, the statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by assessing whether a concentration or constraint makes the primary government reporting units vulnerable to the risk of substantial impact. This Statement will become effective for the City in the fiscal year ended December 31, 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement will become effective for the City in the fiscal year ended December 31, 2026.

Prior Period Adjustment

During the year ended December 31, 2023, the City determined a prior period restatement was necessary to adjust for a prior year deferral of grant funds. The City's beginning net position was decreased by $ 1,396,234. There was no effect on current year revenues or expenditures as a result of the adjustment.

2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $ 18,795,618 difference are as follows:

Bonds payable	$	(8,145,000)
Bond premium		(88,474)
Sales tax special obligation revenue bonds		(414,400)
Notes payable - financed purchases		(855,820)
Lease obligations payable		(11,865)
SBITA liability		(909,849)
Accrued interest payable		(81,832)
Compensated absences		(618,227)
Net pension liability		(6,923,811)
Total OPEB liability		(746,340)
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	$	(18,795,618)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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 or amortization expense." The details of this $ 4,186,256 difference are as follows:

Capital outlay	$	6,238,463
Depreciation expense		(1,912,058)
Amortization expense		(140,149)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	4,186,256

Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 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." The details of this $ 1,385,049 difference are as follows:

Principal repayments:		
General obligation bonds	$	845,000
Notes payable - financed purchases		54,014
Lease obligations payable		8,580
SBITA liability		114,368
Amortization of bond premium		8,295
Sales tax special obligation revenue bonds		115,200
Debt issued or incurred:		
General obligation bonds		(1,415,000)
Notes payable - financed purchases		(722,404)
Lease obligations payable		(1,654)
SBITA liability		(391,448)
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	(1,385,049)

Another element of that reconciliation states that "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." The details of this $ 536,971 difference are as follows:

Compensated absences	$	6,347
Accrued interest		(4,902)
Pension contributions		(525,290)
Total OPEB liability		(13,126)
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	(536,971)

3 - Stewardship, Compliance, and Accountability

Budgetary Information

Applicable Kansas statutes require that budgets be legally adopted for all funds unless exempted by a specific statute. Legal operating budgets are required for the General, Special Alcohol, Special Parks and Recreation, Motor Fuel, Debt Service, and Land Bank Funds. Budgets are not required for the Law Enforcement, DARE, Grants, Insurance Reserve, Capital Projects, Municipal Equipment Reserve, Façade Improvements, Health Insurance, Water, Wastewater, and Refuse Funds. All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting - that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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

Kansas statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for the year ended December 31, 2023.

Under Kansas statutes management cannot amend the total budget of a fund without approval of the governing body; however, the statutes permit transferring budgeted amounts between line items within an individual fund or department. Therefore, the legal level of control is at the fund level for all legally adopted budgets. The City has elected to pursue a policy of requiring approval of the City Manager on major category changes exceeding $ 5,000. City Commission approval is not needed for category changes or budget transfers between departments within the approved budget. Major category means total personnel services, total contractual services, total materials and supplies, total other charges, or total capital outlay.

4 - Deposits and Investments

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City. At December 31, 2023, the City's deposits were not exposed to custodial credit risk. The deposits for the Library were not exposed to custodial credit risk.

Investments

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

Investment Type	Fair Value	Maturity	Rating
Money market mutual funds	$ 15,193	< 1 year	Not rated
Money market account	75,352	< 1 year	Not rated
	$ 90,545		

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

Investment Type	Fair Value	Maturity	Rating
Investments held in trust at Atchison Area Community Foundation - pooled shares	$ 68,958	< 1 year	Not rated

Credit risk

Kansas statutes authorize the City and the Library, with certain restrictions, to deposit or invest in temporary notes, no-fund warrants, open accounts, time deposits, certificates of deposit, repurchase agreements, U.S. Treasury Bills and Notes, the municipal investment pool, or to make direct investments. City Ordinance 4896 further limits the investment of temporarily idle funds of the City to either, or all, of the following:

1. Direct obligations of the United States Government.
2. Temporary notes of the City.
3. Interest bearing certificates of deposit of the depository banks of the City.
4. Interest bearing accounts with federally insured savings and loan associations in such amounts not exceeding such federal insurance.

Concentrations of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's investments as of December 31, 2023 consisted entirely of money market mutual funds and a money market account. The Library's investments as of December 31, 2023 consisted entirely of pooled shares held at the AACF.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The City and the Library do not have a formal investment policy that limits investment maturities as a means of managing their 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 and the

Library do not exceed a one-year maturity when investing idle funds. The City and the Library are not exposed to significant interest rate risk.

Fair Value Measurement

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

For the year ended December 31, 2023, the money market mutual funds were valued with quoted prices on the active market (Level 1 input). The money market account is considered a cash equivalent recorded at cost and the AACF investments are a net asset value investment and are, therefore, not classified in the fair value hierarchy.

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

		Fair Value Measurements at Reporting Date Using		
Investment Type	Fair Value	Level 1	Level 2	Level 3
Money market mutual funds	$ 15,193	$ 15,193	$ -	$ -

5 - Leases Receivable

The City entered into a 52-month lease as lessor for the use of Spatz Hangar. An initial lease receivable was recorded in the amount of $ 59,334. As of December 31, 2023, the value of the lease receivable is $ 29,731. The lessee is required to make annual fixed payments of $ 15,000. The lease has an interest rate of 0.6017%. The value of the deferred inflow of resources as of December 31, 2023 was $ 32,140, and the City recognized lease revenue of $ 13,597 during the fiscal year.

On August 1, 2022, the City entered into a 17-month lease as lessor for the use of Shannon Industrial Park. An initial lease receivable was recorded in the amount of $ 16,792. As of December 31, 2023, the value of the lease receivable is $ 0. The lessee is required to make monthly fixed payments of $ 1,000. The lease has an interest rate of 1.8503%. The value of the deferred inflow of resources as of December 31, 2023 was $ 0, and the City recognized lease revenue of $ 11,853 during the fiscal year.

The City entered into a 785-month lease as lessor for the use of the Santa Fe Freight Depot South. An initial lease receivable was recorded in the amount of $ 45,545. As of December 31, 2023, the value of the lease receivable is $ 44,768. The lessee is required to make monthly fixed payments of $ 100. The lease has an interest rate of 1.851%. The value of the deferred inflow of resources as of December 31, 2023 was $ 44,153, and the City recognized lease revenue of $ 696 during the fiscal year.

The City entered into a 159-month lease as lessor for the use of the Kansas Commission on Veterans Affairs Office and Event Center. An initial lease receivable was recorded in the amount of $ 39,076. As of December 31, 2023, the value of the lease receivable is $ 33,168. The lessee is required to make annual fixed payments of $ 3,277. The lease has an interest rate of 1.4123%. The value of the deferred inflow of

resources as of December 31, 2023 was $ 33,178, and the City recognized lease revenue of $ 2,949 during the fiscal year. The lessee had a termination period of 3 months as of the lease commencement.

The City entered into a 216-month lease as lessor for the use of the Drivers License Exam Station and Tax-Office. An initial lease receivable was recorded in the amount of $ 321,038. As of December 31, 2023, the value of the lease receivable is $ 289,410. The lessee is required to make quarterly fixed payments of $ 5,014. The lease has an interest rate of 1.5910%. The value of the deferred inflow of resources as of December 31, 2023 was $ 285,367, and the City recognized lease revenue of $ 17,835 during the fiscal year. The lessee has 1 extension option for 60 months. The lessee had a termination period of 2 months as of the lease commencement.

The City entered into a 216-month lease as lessor for the use of the Dept. For Children and Families Office. An initial lease receivable was recorded in the amount of $ 2,254,132. As of December 31, 2023, the value of the lease receivable is $ 2,018,177. The lessee is required to make semi-annual fixed payments of $ 71,685. The lease has an interest rate of 1.5910%. The value of the deferred inflow of resources as of December 31, 2023 was $ 2,003,673, and the City recognized lease revenue of $ 125,230 during the fiscal year. The lessee has 1 extension option for 60 months.

On January 18, 2022, the City entered into a 35-month lease as lessor for the use of Agriculture Land. An initial lease receivable was recorded in the amount of $ 27,972. As of December 31, 2023, the value of the lease receivable is $ 9,366. The lessee is required to make monthly fixed payments of $ 4,698. The lease has an interest rate of 0.4757%. The value of the deferred inflow of resources as of December 31, 2023 was $ 9,473, and the City recognized lease revenue of $ 9,473 during the fiscal year.

The City entered into a 42-month lease as lessor for the use of 800 River Road. An initial lease receivable was recorded in the amount of $ 26,329. As of December 31, 2023, the value of the lease receivable is $ 8,805. The lessee is required to make annual fixed payments of $ 8,858. The lease has an interest rate of 0.6017%. The value of the deferred inflow of resources as of December 31, 2023 was $ 11,461, and the City recognized lease revenue of $ 7,434 during the fiscal year. The lessee has 1 extension option for 24 months.

The City entered into a 25-month lease as lessor for the use of 1202 North 4th Street. An initial lease receivable was recorded in the amount of $ 23,643. As of December 31, 2023, the value of the lease receivable is $ 0. The lessee is required to make annual fixed payments of $ 11,862. The lease has an interest rate of 0.3800%. The value of the deferred inflow of resources as of December 31, 2023 was $ 946, and the City recognized lease revenue of $ 11,349 during the fiscal year. The lessee had a termination period of 12 months as of the lease commencement.

On January 1, 2023, the City entered into a 300 month lease as lessor for the use of 200 South 10th Street. An initial lease receivable was recorded in the amount of $ 277,891. As of December 31, 2023, the value of the lease receivable is $ 270,452. The lessee is required to make monthly fixed payments of $ 1,477. The lease has an interest rate of 4.099%. The value of the deferred inflow of resources as of December 31, 2023 was $ 266,776, and the City recognized lease revenue of $ 11,116 during the fiscal year. The lessee has 4 extension options, each for 60 months.

6 - Capital Assets

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

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 3,123,254	$ -	$ -	$ 3,123,254
Construction in progress	1,475,513	616,928	(286,024)	1,806,417
Total capital assets not being depreciated	4,598,767	616,928	(286,024)	4,929,671
Other capital assets:				
Capital assets being depreciated:				
Buildings and systems	8,775,232	-	-	8,775,232
Improvements	11,043,153	48,874	-	11,092,027
Machinery and equipment	6,858,641	958,824	(89,167)	7,728,298
Infrastructure	33,774,299	3,867,955	-	37,642,254
Total capital assets being depreciated	60,451,325	4,875,653	(89,167)	65,237,811
Less accumulated depreciation for:				
Buildings and systems	(3,223,670)	(276,055)	-	(3,499,725)
Improvements	(5,827,983)	(449,061)	-	(6,277,044)
Machinery and equipment	(5,610,310)	(491,263)	89,167	(6,012,406)
Infrastructure	(17,026,694)	(695,679)	-	(17,722,373)
Total accumulated depreciation	(31,688,657)	(1,912,058)	89,167	(33,511,548)
Leased assets being amortized:				
Leased assets - machinery and equipment	31,556	1,654	(5,774)	27,436
Less accumulated amortization - machinery and equipment	(9,063)	(8,314)	2,366	(15,011)
Total leased assets being amortized, net	22,493	(6,660)	(3,408)	12,425
Subscription assets being amortized:				
Subscription asset	-	1,026,342	-	1,026,342
Less accumulated amortization	-	(131,835)	-	(131,835)
Total subscription assets being amortized, net	-	894,507	-	894,507
Other capital assets, net	28,785,161	3,851,442	(3,408)	32,633,195
Governmental activities capital assets, net	$ 33,383,928	$ 4,468,370	$ (289,432)	$ 37,562,866

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 101,537	$ -	$ -	$ 101,537
Construction in progress	135,455	121,067	(80,341)	176,181
Total capital assets not being depreciated	236,992	121,067	(80,341)	277,718
Capital assets being depreciated:				
Buildings and systems	59,910,232	1,430,041	-	61,340,273
Machinery and equipment	6,229,812	615,329	-	6,845,141
Total capital assets being depreciated	66,140,044	2,045,370	-	68,185,414
Less accumulated depreciation for:				
Buildings and systems	(29,591,498)	(1,677,221)	-	(31,268,719)
Machinery and equipment	(4,498,146)	(500,650)	-	(4,998,796)
Total accumulated depreciation	(34,089,644)	(2,177,871)	-	(36,267,515)
Total capital assets being depreciated, net	32,050,400	(132,501)	-	31,917,899
Business-type activities capital assets, net	$ 32,287,392	$ (11,434)	$ (80,341)	$ 32,195,617

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

Governmental activities:	
General government	$ 527,517
Public safety	347,760
Public works	919,736
Parks and recreation	117,045
Total depreciation expense - governmental activities	$ 1,912,058
Business-type activities:	
Water	$ 1,325,573
Wastewater	785,236
Refuse	67,062
Total depreciation expense - business-type activities	$ 2,177,871

Amortization expense of $ 140,149 was charged to governmental activities.

Discretely Presented Component Unit

Capital asset activity for the Library for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Library:				
Capital assets not being depreciated:				
Land	$ 8,995	$ -	$ -	$ 8,995
Capital assets being depreciated:				
Buildings and systems	1,283,072	139,254	-	1,422,326
Books	418,732	12,798	(6,788)	424,742
Machinery and equipment	176,442	-	-	176,442
Total capital assets being depreciated	1,878,246	152,052	(6,788)	2,023,510
Less accumulated depreciation for:				
Buildings and systems	(596,727)	(44,896)	-	(641,623)
Books	(394,421)	(16,935)	6,788	(404,568)
Machinery and equipment	(141,317)	(9,164)	-	(150,481)
Total accumulated depreciation	(1,132,465)	(70,995)	6,788	(1,196,672)
Subscription assets being amortized:				
Subscription asset	-	328,866	-	328,866
Less accumulated amortization	-	(50,626)	-	(50,626)
Total subscription assets being amortized, net	-	278,240	-	278,240
Other capital assets, net	745,781	359,297	-	1,105,078
Library capital assets, net	$ 754,776	$ 359,297	$ -	$ 1,114,073

Amortization expense of $ 50,626 was charged to the Library.

7 - Pension Plan

General Information About the Pension Plan

Description of Pension Plan. The City and the Library participate in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides pension benefits to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
  - State/School employees
  - Local employees

- Police and Firemen
- Judges

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

Those employees participating in the Pension Plan for the City and the Library are included in the Local and Police and Firemen employee groups.

KPERS issues a stand-alone annual comprehensive financial report, which is available on the KPERS website at www.kpers.org.

Benefits Provided. Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees (except police and firemen) with ten or more years of credited service may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 points (police and firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

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

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

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

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009,

and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. KPERS is funded on an actuarial reserve basis.

For KPERS fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the KPERS fiscal year ended June 30, 2023.

The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.43% for KPERS and 22.86% for KP&F for the year ended December 31, 2023. Contributions to the Pension Plan from the City were $ 258,573 for KPERS and $ 489,157 for KP&F for the year ended December 31, 2023. Contributions from the Library for KPERS were $ 21,473 for the year ended December 31, 2023.

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

At December 31, 2023, the City reported a liability of $ 2,733,486 for KPERS and $ 5,268,100 for KP&F and the Library reported a liability of $ 256,385 for KPERS for their proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2023, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023.

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

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and

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

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2023 the City's proportion for KPERS was 0.130296%, which was a decrease of 0.020483% from its proportion measured as of June 30, 2022. At June 30, 2023, the City's proportion for KP&F was 0.329822%, which was a decrease of 0.029483% from its proportion measured as of June 30, 2022. At June 30, 2023, the Library's proportion for KPERS was 0.012221%, which was a decrease of .000498% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the City recognized pension expense of $ 407,541 for KPERS and $ 977,240 for KP&F, with the aggregate pension expense for both KPERS and KP&F totaling $ 1,384,781. The Library recognized pension expense of $ 36,069 for KPERS. At December 31, 2023, the City and the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 714,944	$ 385
Net difference between projected and actual earnings on pension plan investments	396,972	-
Change of assumptions	716,251	-
Changes in proportionate share	35,666	563,147
City contributions subsequent to measurement date	369,079	-
Total	$ 2,232,912	$ 563,532

Library

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 21,313	$ 36
Net difference between projected and actual earnings on pension plan investments	14,974	-
Change of assumptions	27,173	-
Changes in proportionate share	71	14,014
Library contributions subsequent to measurement date	10,440	-
Total	$ 73,971	$ 14,050

The $ 369,079 and $ 10,440 for the City and the Library, respectively, reported as deferred outflows of resources related to pensions resulting from the City's and Library's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	City
2024	$ 467,736
2025	221,987
2026	586,624
2027	23,770
2028	184
	$ 1,300,301

Year Ended June 30,	Library
2024	$ 15,159
2025	8,209
2026	23,206
2027	2,840
2028	67
	$ 49,481

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

Price inflation	2.75 percent
Salary increases, including price inflation	3.50 to 12.00 percent
Long-term rate of return net of investment expense, and including price inflation	7.00 percent
Payroll growth assumption	3.00 percent

Mortality rates were based on the RP-2014 Mortality Tables with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted for the three-year period ending December 31, 2018. The experience study is dated January 7, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage 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 allocations as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S Equities	23.50%	5.20%
Non-U.S. Equities	23.50%	6.40%
Private Equity	8%	9.50%
Private Real Estate	11%	4.45%
Yield Driven	8%	4.70%
Real Return	11%	3.25%
Fixed Income	11%	1.55%
Cash	4%	0.25%
Total	100%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for KPERS. Future employer contribution rates were also modeled for KP&F assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for KP&F. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the City's and the Library's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the collective 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 Discount Rate (7.00%)	1% Increase (8.00%)
City's KPERS proportionate share of the collective net pension liability	$ 3,919,527	$ 2,733,486	$ 1,745,390
City's KP&F proportionate share of the collective net pension liability	7,104,069	5,268,100	3,735,221
Atchison Public Library's KPERS proportionate share of the collective net pension liability	367,629	256,385	163,707

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

8 - Other Postemployment Healthcare Benefits

Health Insurance

Plan Description, Benefits Provided, and Contributions. The City provides postemployment health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). 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 medical insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. A retiring employee who waives continuing participation in the City's health insurance program at the time of retirement is not eligible to participate at a later date. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a stand-alone financial report.

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 102 percent of the blended premium cost of active employees to maintain coverage. In 2023, the City contributed $ 27,124 to the plan and participating retirees contributed $ 1,051.

Employees covered by Benefit Terms. As of the actuarial valuation date of January 1, 2024, the following employees were covered by the benefit terms.

Active employees	102
Retirees	1
Spouses of retirees	1
	104

Total OPEB Liability. The City's total OPEB liability of $ 679,635 was measured as of December 31, 2023 and was determined by an actuarial valuation performed as of January 1, 2023.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.88 percent
Mortality table	Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables using Scale MP-2021 Full Generational Improvement
Salary scale	5 percent per year
Inflation rate	2.5 percent per year
Healthcare cost trend rates	
Current rate	5 percent
Ultimate rate	4.50 percent
Year ultimate rate is reached	2033
Actuarial cost method	Entry Age Normal - Level Percent-of-Pay

The discount rate was based on the S&P Municipal Bond 20-Year High Grade and the Fidelity GO AA-20 Year indices as of the measurement date.

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was changed from 4.18% to 3.88%.
2. Assumed trend on per capita claims and fixed costs were revised.
3. Per capita costs, retiree contribution premiums and HSA contributions were revised taking into account the January 1, 2024 renewal.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2022	$ 601,595
Changes for the year:	
Service cost	46,816
Interest cost	26,537
Differences between expected and actual experience	38,579
Changes in assumptions and inputs	(6,768)
Benefit payments	(27,124)
Net changes	78,040
Balance at December 31, 2023	$ 679,635

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. 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 (2.88 percent) or 1-percentage-point higher (4.88 percent) than the current discount rate:

	1% Decrease (2.88%)	Discount Rate (3.88%)	1% Increase (4.88%)
Total OPEB liability	$ 748,300	$ 679,635	$ 617,550

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 590,671	$ 679,635	$ 786,904

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

For the year ended December 31, 2023 the City recognized OPEB expense of $ 42,610.

At December 31, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 44,356	$ 235,180
Changes in assumptions and inputs	132,561	262,766
Total	$ 176,917	$ 497,946

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

Year Ended December 31,	
2024	$ (30,743)
2025	(30,743)
2026	(30,743)
2027	(30,743)
2028	(30,743)
2029 and Thereafter	(167,314)
	$ (321,029)

Disability Benefits and Life Insurance

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

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2023 totaled $ 4,300.

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 provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of $ 100 and a maximum of $ 5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

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 member's 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. As of the valuation date of December 31, 2023, the following employees were covered by the benefit terms.

Active members	58
Disabled members	2
	60

Total OPEB Liability. The City's total OPEB liability of $ 66,705 was measured as of June 30, 2023 and was determined by an actuarial valuation performed as of December 31, 2022.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.65 percent
Implicit inflation rate	2.75 percent
Mortality table	School Males: 80% of RP-2014 M White Collar +0 School Females: 805% of RP-2014 F White Collar +0 State Males: 90% of RP-2014 M Total Dataset +2 State Females: 90% of RP-2014 F Total Dataset +1 Local Males: 90% of RP-2014 M Total Dataset +2 Local Females: 90% of RP-2014 F Total Dataset +1
Salary increases	3.5 percent (composed of 2.75 percent inflation and 0.75 percent productivity)
Payroll growth	4.00 percent long-term growth for acturial valuation. 3.00 percent near-term growth for cashflow projections.
Actuarial cost method	Entry Age Normal

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted for a three-year period ending December 31, 2018.

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was updated in accordance with the requirements of GASB 75.
2. The Disability Rates, Estimated Offsets, Waiver Mortality Rates, and Claim Cost Assumption have been updated based on recent experience.

The overall impact of the new assumptions is a decrease in the benefit obligations.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	$ 71,844
Changes for the year:	
Service cost	6,537
Interest	2,699
Effect of economic/demographic gains or losses	(9,700)
Effect of assumptions changes or inputs	(375)
Benefit payments	(4,300)
Net changes	(5,139)
Balance at December 31, 2022	$ 66,705

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. 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 (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	$ 70,091	$ 66,705	$ 63,337

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates. Note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this is a required disclosure under GASB 75.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 66,705	$ 66,705	$ 66,705

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

For the year ended December 31, 2023, the City recognized OPEB expense of $ 2,380.

At December 31, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 36,787
Changes of assumptions	6,602	19,008
City contributions subsequent to measurement date	13,615	-
Total	$ 20,217	$ 55,795

The $ 13,615 for the City reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the year ended December 31, 2024. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2024	$ (6,856)
2025	(6,856)
2026	(6,705)
2027	(5,986)
2028	(5,086)
2029 and Thereafter	(17,704)
	$ (49,193)

Aggregate Other Postemployment Healthcare Benefit Information

	Balances at December 31, 2023		
	Health	Disability Benefits and Life Insurance	Total
City:			
Total OPEB liability	$ 679,635	$ 66,705	$ 746,340
Total deferred outflows of resources	176,917	20,217	197,134
Total deferred inflows of resources	(497,946)	(55,795)	(553,741)
Total OPEB expense	42,610	2,380	44,990

9 - Risk Management

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

10 - Commitments and Contingencies

Capital Projects

The City has the following projects in progress at December 31, 2023:

	Costs to Date	Amount Authorized
General government:		
Airport Master Plan	$ 55,700	$ 55,700
Aiport environmental assessment	90,429	90,429
Runway improvement project	856,617	1,896,233
Guerrier Hill concept design	6,500	6,500
Sante Fe West (TA)	3,760	3,760
Unity Street Corridor	62,500	65,000
Riverbank stabilization	126,517	126,517
Jackson Park brick shelter	74,898	74,898
LFM Park improvements	34,450	96,000
WTP settling basins	451,109	451,109
Bridge street approaches	-	18,444
	$ 1,762,480	$ 2,884,590
Wastewater:		
South Headworks wet weather pump	142,317	142,317
Water:		
RWI elevator	$ 33,864	$ 46,073
MERF Fund:		
Dump trucks	$ 41,937	$ 458,281

Litigation

There are a number of claims and/or lawsuits to which the City is a party as a result of the ordinary course of City activities. The City management and legal counsel anticipate that the potential claims against the City not covered by insurance, if any, resulting from such matters would not materially affect the financial position of the City.

Industrial Revenue Bonds

The City has issued industrial revenue bonds to finance the purchase of land and construction of facilities leased to local businesses. The lease agreements provide for rentals sufficient to service the related bonds. The debt service on these issues is paid solely from lease agreements; these issues do not constitute a debt of the City. The lessees have the option of purchasing the leased properties at any time during the lease periods for amounts sufficient to retire the related outstanding bonds. At the end of the lease periods, which conform to bond maturity schedules, the lessees may either purchase the property for a nominal amount or renew the leases annually at nominal amounts. As of December 31, 2023, industrial revenue bonds of $ 18,590,000 are outstanding.

11 - Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

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

	Callable Date	Interest Rates	Original Issue	Final Maturity Date	Principal Payments During 2023	Outstanding December 31, 2023
General Obligation Bonds:						
Governmental activities:						
Series 2017-A	9/1/2025	2.00% to 2.70%	$ 1,205,000	2027	$ 120,000	$ 515,000
Series 2019-A	9/1/2026	3.00% to 4.00%	2,780,000	2039	255,000	1,810,000
Series 2020-A	9/1/2027	1.35% to 2.00%	1,250,000	2030	120,000	900,000
Series 2021-A	9/1/2029	1.15% to 2.00%	2,870,000	2034	290,000	2,305,000
Series 2022-A	9/1/2029	2.00% to 3.00%	1,260,000	2037	60,000	1,200,000
Series 2023-A	9/1/2033	3.56%	1,415,000	2033	-	1,415,000
					$ 845,000	$ 8,145,000
Business-type activities:						
Series 2019-A	9/1/2026	3.00% to 4.00%	1,780,000	2031	$ 145,000	$ 1,245,000
Series 2020-B	9/1/2028	1.00% to 2.00%	7,040,000	2035	455,000	5,660,000
Series 2021-A	9/1/2029	1.15% to 2.00%	4,490,000	2040	285,000	3,935,000
					$ 885,000	$ 10,840,000

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

	Installment Range	
	Low	High
General Obligation Bonds:		
Governmental activities:		
Series 2017-A	$ 125,000	$ 135,000
Series 2019-A	60,000	125,000
Series 2020-A	120,000	135,000
Series 2021-A	180,000	290,000
Series 2022-A	75,000	100,000
Series 2023-A	115,000	165,000
Business-type activities:		
Series 2019-A	85,000	185,000
Series 2020-B	165,000	535,000
Series 2021-A	165,000	330,000

The future annual requirements for general obligation bonds outstanding as of December 31, 2023 are as follows:

	Governmental Activities	
	Principal	Interest
2024	$ 850,000	$ 215,475
2025	755,000	186,563
2026	790,000	165,950
2027	810,000	144,372
2028	685,000	123,771
2029-2033	3,215,000	368,477
2034-2038	975,000	69,770
2039-2042	65,000	1,950
	$ 8,145,000	$ 1,276,328

	Business-Type Activities	
	Principal	Interest
2024	$ 910,000	$ 194,778
2025	940,000	173,578
2026	950,000	151,678
2027	975,000	129,478
2028	990,000	108,328
2029-2033	4,410,000	291,580
2034-2038	1,400,000	79,663
2039-2042	265,000	8,000
	$ 10,840,000	$ 1,137,083

Notes Payable – Financed Purchases

The City has entered into various notes payable – financed purchase agreements for the acquisition of equipment. These agreements have been recorded at the present value of their future minimum payments as of the inception date.

The assets acquired through notes payable – financed purchases are as follows:

Asset:	
Hangar building	$ 340,445
Less accumulated depreciation	(82,274)
Net book value	$ 258,171
Freightliners	$ 540,898
Less accumulated depreciation	(48,133)
Net book value	$ 492,765
Dump Trucks	$ 273,668
Less accumulated depreciation	(2,281)
Net book value	$ 271,387
Asphalt paving machines	$ 178,069
Less accumulated depreciation	(68,260)
Net book value	$ 109,809
Fire truck	$ 285,000
Less accumulated depreciation	(19,000)
Net book value	$ 266,000

The following is a schedule of future minimum payments for notes payable – financed purchases as of December 31, 2023:

	Governmental Activities	Business-type Activities
2024	$ 219,997	$ 118,810
2025	221,952	118,810
2026	182,367	118,809
2027	160,483	118,809
2028	160,722	120,270
	945,521	595,508
Amount representing interest	(89,701)	(54,610)
	$ 855,820	$ 540,898

Lease Obligations Payable

The City, as a lessee, has entered into various lease agreements with companies and organizations in and around the City as summarized below:

The City entered into a 30-month lease as lessee for the use of a Ricoh Copier/ Multifunction Printer. An initial lease liability was recorded in the amount of $ 16,240. The City is required to make monthly fixed payments of $ 545. The lease has an interest rate of 0.4757%. The value of the right to use asset as of December 31, 2023 is $ 16,240 with accumulated amortization of $ 12,696.	$	3,262
On October 25, 2022, the City entered into a 60-month lease as lessee for the use of a Multifunction Printer. An initial lease liability was recorded in the amount of $ 9,542. The City is required to make quarterly fixed payments of $ 517. The lease has an interest rate of 3.4450%. The value of the right to use asset as of December 31, 2023 is $ 9,542 with accumulated amortization of $ 2,258.		7,246
On October 16, 2023, the City entered into a 72 month lease as lessee for the use of USD 409 Tower. An initial lease liability was recorded in the amount of $ 1,654. The City is required to make annual fixed payments of $ 300. The lease has an interest rate of 3.445%. The value of the right to use asset as of December 31, 2023 of $ 1,654 with accumulated amortization of $ 57. The City has 1 extension option for 60 months.		1,357
Total City leases obligations payable	$	11,865

The annual debt service requirements to service the outstanding lease obligations payable at December 31, 2023 are as follows:

	Governmental Activities	
	Lease obligations payable	
	Principal	Interest
2024	$ 5,358	$ 277
2025	2,168	200
2026	2,244	124
2027	1,805	46
2028	290	10
	$ 11,865	$ 657

SBITA Liability

The City has entered into various SBITA agreements with companies as summarized below:

The City entered into a 69 month subscription for the use of Adobe software. An initial subscription liability was recorded in the amount of $ 19,835. The City is required to make monthly fixed payments of $ 313. The subscription has an interest rate of 3.004%. The value of the right to use asset as of December 31, 2023 is $ 19,835 with accumulated amortization of $ 3,418. The City has 1 extension option for 60 months.	$ 16,612
The City entered into a 72 month subscription for the use of Disaster Recovery Service. An initial subscription liability was recorded in the amount of $ 46,020. The City is required to make monthly fixed payments of $ 798. The subscription has an interest rate of 3.212%. The value of the right to use asset as of December 31, 2023 is $ 46,020 with accumulated amortization of $ 7,670. The City has 1 extension option for 60 months.	44,179
On September 1, 2023, the City entered into a 72 month subscription for the use of Backupify Cloud Backup Service. An initial subscription liability was recorded in the amount of $ 44,334. The City is required to make monthly fixed payments of $ 676. The subscription has an interest rate of 3.212%. The value of the right to use asset as of December 31, 2023 is $ 44,335 with accumulated amortization of $ 2,460. The City has 1 extension option for 60 months.	41,976
On September 1, 2023, the City entered into a 72 month subscription for the use of Domain Management Service. An initial subscription liability was recorded in the amount of $ 283,002. The City is required to make monthly fixed of $ 4,315. The subscription has an interest rate of 3.212%. The value of the right to use asset as of December 31, 2023 is $ 283,002 with accumulated amortization of $ 15,722. The City has 1 extension option for 60 months.	267,951
The City entered into a 23 month subscription for the use of Architecture Engineering & Construction Service. An initial subscription liability was recorded in the amount of $ 2,400. The subscription has an interest rate of 2.847%. The value of the right to use asset as of December 31, 2023 is $ 2,400 with accumulated amortization of $ 1,233.	-
The City entered into a 24 month subscription for the use of ClearGov Subscription. An initial subscription liability was recorded in the amount of $ 28,822. The City is required to make annual fixed payments of $ 5,000. The subscription has an interest rate of 2.847%. The value of the right to use asset as of December 31, 2023 is $ 28,822 with accumulated amortization of $ 14,411.	23,822
On February 15, 2023, the City entered into a 48 month subscription for the use of DebtBook Subscription. An initial subscription liability was recorded in the amount of $ 49,769. The City is required to make annual fixed payments of $ 13,000. The subscription has an interest rate of 3.004%. The value of the right to use asset as of December 31, 2023 is $ 51,770 with accumulated amortization of $ 11,360. The City has 1 extension option for 36 months.	36,769

On March 8, 2023, the City entered into a 72 month subscription for the use of Online Access Subscription. An initial subscription liability was recorded in the amount of $ 4,948. The City is required to make monthly fixed payments of $ 75. The subscription has an interest rate of 3.004%. The value of the right to use asset as of December 31, 2023 is $ 4,948 with accumulated amortization of $ 671. The City has 1 extension option for 60 months.	4,302
On November 23, 2023, the City entered into a 72 month subscription for the use of Webcom Resources Platform. An initial subscription liability was recorded in the amount of $ 6,558. The City is required to make annual fixed payments of $ 1,200. The subscription has an interest rate of 3.894%. The value of the right to use asset as of December 31, 2023 is $ 6,558 with accumulated amortization of $ 182. The City has 1 extension option for 60 months.	5,358
The City entered into a 27 month subscription for the use of Kantola Training Solutions License. An initial subscription liability was recorded in the amount of $ 3,869. The City is required to make annual fixed payments of $ 1,980. The subscription has an interest rate of 2.847%. The value of the right to use asset as of December 31, 2023 is $ 3,994 with accumulated amortization of $ 1,716.	1,925
On March 23, 2023, the City entered into a 72 month subscription for the use of Zoom Software. An initial subscription liability was recorded in the amount of $ 836. The City is required to make annual fixed payments of $ 150. The subscription has an interest rate of 3.004%. The value of the right to use asset as of December 31, 2023 is $ 836 with accumulated amortization of $ 108. The City has 1 extension option for 60 months.	686
The City entered into a 95 month subscription for the use of TS Care Essentials System. An initial subscription liability was recorded in the amount of $ 500,721. The City is required to make monthly fixed payments of $ 5,877. The subscription has an interest rate of 2.796%. The value of the right to use asset as of December 31, 2023 is $ 500,721 with accumulated amortization of $ 62,830. The City has 1 extension option for 60 months.	443,033
The City entered into an additional 95 month subscription for the use of TS Care Essentials System. An initial subscription liability was recorded in the amount of $ 1,057. The City is required to make annual fixed payments of $ 149. The subscription has an interest rate of 2.796%. The value of the right to use asset as of December 31, 2023 is $ 1,057 with accumulated amortization of $ 136. The City has 1 extension option for 60 months.	935
The City entered into a 83 month subscription for the use of Microsoft 365. An initial subscription liability was recorded in the amount of $ 17,800. The City is required to make monthly fixed payments of $ 236. The subscription has an interest rate of 2.847%. The value of the right to use asset as of December 31, 2023 is $ 17,800 with accumulated amortization of $ 2,571. The Library has 1 extension option for 60 months.	15,404

The City entered into a 23 month subscription for the use of Microsoft 365. An initial subscription liability was recorded in the amount of $ 14,244. The City is required to make monthly fixed payments of $ 636. The subscription has an interest rate of 2.847%. The value the right to use asset as of December 31, 2023 is $ 14,244 with accumulated amortization of $ 7,347.		6,897
Total City SBITA liability	$	909,849

The Library has entered into various SBITA agreements with companies as summarized below:

On July 1, 2023, the Library entered into a 48 month subscription for the use of WorldShare Service. An initial subscription liability was recorded in the amount of $ 3,387. The Library is required to make annual fixed payments of $ 887. The subscription has an interest rate of 3.212%. The value of the right to use asset as of December 31, 2023 of $ 3,387 with accumulated amortization of $ 423. The Library has 1 extension option for 36 months.	$	2,500
On August 1, 2023, the Library entered into a 72 month subscription for the use of EnvisionWare Subscription. An initial subscription liability was recorded in the amount of $ 4,157. The Library is required to make annual fixed payments of $ 749. The subscription has an interest rate of 3.212%. The value of the right to use assets as of December 31, 2023 is $ 4,157 with accumulated amortization of $ 289. The Library has 1 extension option for 60 months.		3,408
The Library entered into a 36 month subscription for the use of Automation Service. An initial subscription liability was recorded in the amount of $ 14,567. The Library is required to make annual fixed payments of $ 5,000. The subscription has an interest rate of 3.004%. The value of the right to use asset as of December 31, 2023 is $ 14,567 with accumulated amortization of $ 4,856. The Library has 1 extension option for 24 months.		9,567
On May 5, 2023, the Library entered into a 36 month subscription for the use of Automation Service. An initial subscription liability was recorded in the amount of $ 548. The Library is required to make annual fixed payments of $ 188. The subscription has an interest rate of 2.670%. The value of the right to use asset as of December 31, 2023 is $ 548 with accumulated amortization of $ 120. The Library has 1 extension option for 24 months.		362
On April 1, 2023, the Library entered into a 62 month subscription for the use of Dark Web Monitoring Service. An initial subscription liability was recorded in the amount of $ 223,820. The Library is required to make monthly fixed payments of $ 3,862. The has an interest rate of 2.670%. The value of the right to use asset as of December 31, 2023 is $ 223,820 with accumulated amortization of $ 32,490. The Library has 1 extension option 60 months.		192,898
On August 1, 2023, the Library entered into a 37 month subscription for the use of Digital Media Service. An initial subscription liability was recorded in the amount of $ 70,936. The Library is required to make monthly fixed payments of $ 2,011. The subscription has an interest rate of 3.212%. The value of the right to use asset as of December 31, 2023 is $ 70,936 with accumulated amortization of $ 9,586. The Library has 1 extension option for 36 months.		61,590

The Library entered into a 48 month subscription for the use of Overdrive. An initial subscription liability was recorded in the amount of $ 11,451. The Library is required to make annual fixed payments of $ 3,000. The subscription has an interest rate of 3.212%. The value of the right to use asset as of December 31, 2023 is $ 11,451 with accumulated amortization of $ 2,863. The Library has 1 extension option for 36 months.	8,450
Total Library SBITA liability	$ 278,775

The annual debt service requirements to service the outstanding SBITA liabilities at December 31, 2023 are as follows:

	Governmental Activities	
	SBITA Liability	
	Principal	Interest
2024	$ 170,136	$ 25,318
2025	141,679	20,299
2026	145,994	15,984
2027	137,442	11,537
2028	140,693	7,346
2029-2030	173,905	4,233
	$ 909,849	$ 84,717

	Library	
	SBITA Liability	
	Principal	Interest
2024	$ 73,253	$ 7,050
2025	75,394	4,909
2026	64,334	2,738
2027	45,884	1,214
2028	19,910	152
	$ 278,775	$ 16,063

Sales Tax Special Obligation Revenue Bonds

On May 7, 2018, the City issued Taxable STAR Bonds Series 2018 at a principal amount of $ 2,370,000. This series of STAR Bonds was issued to finance the Atchison STAR Bond Project in the STAR Bond District for the construction of two separate shelter structures at the Atchison Farmers' Market, located in the historic downtown area of the STAR Bond District (the Farmers' Market Improvements) and a portion of the costs of the Amelia Earhart Museum to be located at the airport area of the STAR Bond District which is proposed to include the last remaining 1935 Lockheed Electra L-10E aircraft and a unique educational visitor experience that honors the accomplishments of Amelia Earhart (the Museum). The City

will own the Farmers' Market Improvements. The Museum land is owned by the City and leased. The balance of the Project, which is not being financed from the Series 2018 Bonds, includes a new approximately 43,000 square foot, 68-room hotel located in the historic downtown area of the STAR Bond District and operated under a franchise flag approved in writing by the City (the Hotel) and a new approximately 2,100 square foot Taco Bell restaurant located in the historic downtown area of the STAR Bond District (the Restaurant). The Farmers Market Improvements, the Museum, the Hotel, and the Restaurant collectively constitute the Project.

Sales tax special obligation revenue bonds (STAR bonds) are authorized to be issued pursuant to K.S.A. 12-17,160, et seq., as amended (the STAR Bond Act). The STAR Bond Act provides a form of tax increment financing that enables the issuance of bonds payable from certain State and local sales and compensating use tax revenues and transient guest tax revenues generated from STAR bond projects constructed within a STAR bond project district. To implement STAR bond financing, a local government must adopt a resolution that specifies a proposed STAR bond project district's boundaries and describes the overall district plan, hold a public hearing on the district and plan, and pass a resolution that establishes the STAR bond project district. Additionally, there may be one or more projects within a STAR bond district.

In connection with the issuance of STAR bonds, the City and the State of Kansas enter into Tax Distribution Agreements. The agreements provide that the principal and interest on the STAR bonds will be paid proportionally by the City and the State of Kansas, based on each entity's respective share of sales taxes generated within the district. The proportional shares may vary by bond issue, as described in the "Tax Distribution Details" in the table below. These proportional shares may change in the future if the sales taxes assessed by the local or state governments are modified.

Issue	District/Project	Original Amount	Tax Distribution Details
2018	Atchison Star Bond Project	$ 2,370,000	Year 1: 68.41% State sales tax revenues/ 10.52% City's share of County sales tax/ 21.07% City's transient guest tax Year 18 estimate: 68.42% State sales tax revenues/ 10.53% City's share of County sales tax/ 21.05% City's transient guest tax

For this bond issue, the City records its proportional share of the outstanding obligation.

At December 31, 2023, STAR bonds outstanding consisted of the following:

Description and Purpose	Amount of of Original Issue	Final Maturity Date	Range of Interest Rates	Recorded with City Long-Term Liabilities Local Pledge	State Pledge	Total Balance December 31, 2023
Atchison Star Bond Project	$ 2,370,000	3/1/2036	3.40% - 5.20%	$ 414,400	$ 880,600	$ 1,295,000

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

	Governmental Activities	
	Atchison Star Bond Project	
	Principal	Interest
2024	$ 75,200	$ 18,463
2025	-	16,621
2026	-	16,621
2027	-	16,621
2028-2032	-	83,104
2033-2036	339,200	58,172
	$ 414,400	$ 209,602

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 7,575,000	$ 1,415,000	$ (845,000)	$ 8,145,000	$ 850,000
Plus issuance premiums	96,769	-	(8,295)	88,474	-
Sales tax special obligation revenue bonds	529,600	-	(115,200)	414,400	75,200
Notes payable - financed purchases - direct borrowing:					
Hangar building	78,197	-	(18,709)	59,488	19,262
Asphalt paving machine	109,233	-	(35,305)	73,928	36,394
Dump trucks	-	432,244	-	432,244	88,195
Fire rescue pumper	-	290,160	-	290,160	61,369
Lease obligations payable - direct borrowing	22,181	1,654	(11,970)	11,865	5,358
SBITA liability	-	1,024,217	(114,368)	909,849	170,136
Compensated absences	624,574	519,283	(525,630)	618,227	242,305
Net pension liability	6,992,636	-	(68,825)	6,923,811	-
Total OPEB liability	673,439	72,901	-	746,340	-
Governmental activities long-term liabilities	$ 16,701,629	$ 3,755,459	$ (1,743,302)	$ 18,713,786	$ 1,548,219

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 11,725,000	$ -	$ (885,000)	$ 10,840,000	$ 910,000
Plus issuance premiums	147,754	-	(12,197)	135,557	-
Notes payable - financed purchases - direct borrowing:					
Freightliners	29,322	540,898	(29,322)	540,898	110,365
Compensated absences	124,678	122,133	(111,683)	135,128	69,900
Net pension liability	1,186,928	-	(109,153)	1,077,775	-
Business-type activities long-term liabilities	$ 13,213,682	$ 663,031	$ (1,147,355)	$ 12,729,358	$ 1,090,265
Component unit Library:					
Compensated absences	$ 13,739	$ 4,988	$ (9,121)	$ 9,606	$ 9,606
Net pension liability	252,859	3,526	-	256,385	-
SBITA liability	-	328,866	(50,091)	278,775	73,253
Component unit Library long-term liabilities	$ 266,598	$ 337,380	$ (59,212)	$ 544,766	$ 82,859

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

12 - Interfund Transactions

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

	Transfers out				
Transfers in	General fund	Nonmajor governmental fund	Water fund	Wastewater fund	Nonmajor enterprise fund
General fund	$ -	$ -	$ 833,857	$ 333,857	$ 157,137
Capital Projects Fund	150,000	95,000	1,935,000	-	-
Nonmajor Governmental Fund	20,000	-	-	-	-
Nonmajor Enterprise Fund	29,853	-	-	-	-
Total	$ 199,853	$ 95,000	$ 2,768,857	$ 333,857	$ 157,137

Transfers are used to move revenues from the fund that statutes or the budget requires to collect them to the fund that statutes or the budget requires to expend them. Nonroutine transfers include transfers to the capital projects fund to fund capital projects and to the general fund to fund capital projects and from the water fund, wastewater fund, and nonmajor enterprise fund to the general fund for administrative services provided.

Capital asset transfers of $ 856,944 occurred from the governmental activities to the business-type activities and are reported within transfers on the statement of activities.

13 - Required Improvements to Sanitary Sewer Collection System

Based upon an administrative order dated January 20, 2004 from the Kansas Department of Health and Environment (KDHE), the City is required to make improvements and replacements to the City's sanitary sewer collection system. Under the terms of the administrative order, a study was performed by an engineer to determine the extent and cost of the repairs. A second administrative order was issued on September 9, 2009 with updated mandates and new deadlines. The City appealed this administrative order and required a hearing which was postponed pending consent agreement negotiations. The negotiations were successful, and the consent agreement was agreed upon in 2011. The consent agreement sets forth timelines for completion of certain updates and repairs to the City's sanitary sewer collection system. The City is also required to provide a plan to raise revenue via residential, industrial, and commercial sewer rate increases, sales tax, stormwater fees, or other means over the next five years to the equivalent of $ 3.1 million annually (after five years) to operate, upgrade, and maintain the current wastewater utility treatment facilities and to complete the mandated projects. The City is required to spend $ 12.4 million over a period of the first zero to five years of the consent agreement. In late 2016, KDHE agreed to amend the consent order and waive the requirement to raise revenues to $ 3.1 million in 2017. They agreed to allow the City to maintain the current rates in return for a commitment from the City to complete certain CSO improvements such as the Dam 6 Separation Program, within specific dates, and update the City's long-term control plan. In May 2019, the City Commission authorized Amendment #2 to the consent agreement with KDHE, extending the project deadlines due to delays. The City updated its Long-Term Control Plan and submitted the plan to KDHE in September 2021, which led to KDHE proposing Amendment #3 to further adjust the deadlines to correspond with those set forth in the updated control plan. Amendment #3 was executed in July 2022.

14 - Commitments and Contingencies – Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for cash expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. At December 31, 2023, the City's recorded encumbrances in budgeted governmental funds were as follows:

General	$ 31,256

15 - Tax Abatements

The City of Atchison participates in a county-wide property tax abatement program referred to as the Neighborhood Revitalization Plan (NRP). Property tax rebate incentives are based on the incremental increase of qualified improvements over a period ranging from 10 to 15 years, depending upon the level of investment. To continue to receive the rebate of taxes, property owners must pay the property taxes in full and on time. The county treasurer is responsible for issuing the tax rebates to property owners. For the year

ended December 31, 2023 a total of $ 113,784 in City taxes were rebated to property owners. During the same period $ 16,821 in Library taxes were rebated.

The City of Atchison enters annexation and incentive agreements with property owners that provide for property tax rebates in exchange for voluntarily allowing the property to be annexed into the City. The rebates begin the year following the receipt of the first tax statement that includes City taxes. Rebates are paid for three years: year one is a 75% rebate of City taxes, year two is 50%, and year three is 25%. Property owners must pay the property taxes in full and on time to remain eligible for the rebates. The City of Atchison is responsible for issuing the rebates in this program. During 2023, no property tax rebates were paid.

16 - Subsequent Events

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

Required Supplementary Information

2023

REQUIRED SUPPLEMENTARY INFORMATION

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

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Ad valorem taxes	$ 3,138,354	$ 3,170,591	$ 32,237
Delinquent taxes	30,000	35,072	5,072
Motor vehicle taxes	323,810	306,995	(16,815)
Vehicle excise taxes	519	99	(420)
Payments in lieu of taxes	23,500	28,045	4,545
Guest taxes	190,000	255,108	65,108
City sales taxes	2,215,000	2,182,240	(32,760)
Franchise taxes	1,340,400	1,519,983	179,583
Recreational vehicle taxes	3,199	2,748	(451)
16-20 M truck vehicle taxes	2,894	2,395	(499)
	7,267,676	7,503,276	235,600
Intergovernmental revenues:			
Special highway	105,000	105,550	550
Special liquor	37,860	54,387	16,527
	142,860	159,937	17,077
Charges for services	400,019	366,260	(33,759)
Licenses and permits	49,500	113,783	64,283
Interest on investments	-	69,084	69,084
Fines and fees	153,000	174,252	21,252
Operating grants	6,517	8,690	2,173
Miscellaneous:			
Sales of cemetery lots	5,000	4,948	(52)
Other	2,000	42,486	40,486
	7,000	47,434	40,434
Total revenues	$ 8,026,572	$ 8,442,716	$ 416,144

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Expenditures:			
General government:			
City manager:			
Personnel services	$ 270,871	$ 276,152	$ (5,281)
Contractual services	154,747	68,297	86,450
Materials and supplies	2,000	1,536	464
	427,618	345,985	81,633
Human resources:			
Personnel services	84,868	114,816	(29,948)
Contractual services	57,771	59,725	(1,954)
Materials and supplies	2,800	2,920	(120)
	145,439	177,461	(32,022)
Finance:			
Personnel services	367,331	301,606	65,725
Contractual services	133,001	111,109	21,892
Materials and supplies	5,000	5,326	(326)
	505,332	418,041	87,291
Municipal court:			
Personnel services	41,913	51,831	(9,918)
Contractual services	36,313	76,861	(40,548)
Materials and supplies	500	632	(132)
	78,726	129,324	(50,598)
Building official and buildings and grounds:			
Personnel services	289,726	233,101	56,625
Contractual services	238,749	163,668	75,081
Materials and supplies	2,305	1,950	355
	$ 530,780	$ 398,719	$ 132,061

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
AHCC:			
Contractual services	$ 207,346	$ 122,158	$ 85,188
Materials and supplies	26,500	1,374	25,126
	233,846	123,532	110,314
Other general government:			
Contractual services	502,703	924,943	(422,240)
Contingency	225,000	12,620	212,380
	727,703	937,563	(209,860)
Total general government	2,649,444	2,530,625	118,819
Public safety:			
Fire department:			
Personnel services	1,494,933	1,650,117	(155,184)
Contractual services	76,103	84,732	(8,629)
Materials and supplies	27,431	22,345	5,086
	1,598,467	1,757,194	(158,727)
Police department:			
Personnel services	2,080,028	2,165,176	(85,148)
Contractual services	30,142	5,199	24,943
Materials and supplies	87,001	75,252	11,749
	2,197,171	2,245,627	(48,456)
Animal control:			
Personnel services	57,850	65,423	(7,573)
Contractual services	25,686	21,572	4,114
Materials and supplies	8,481	4,218	4,263
	92,017	91,213	804
Total public safety	$ 3,887,655	$ 4,094,034	$ (206,379)

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Public works:			
Engineering:			
Personnel services	$ 198,886	$ 202,429	$ (3,543)
Contractual services	12,398	10,512	1,886
Materials and supplies	750	87	663
	212,034	213,028	(994)
Amelia Earhart Airport:			
Contractual services	69,473	41,899	27,574
Materials and supplies	45,000	44,301	699
	114,473	86,200	28,273
Fleet maintenance:			
Personnel services	136,527	137,959	(1,432)
Contractual services	3,039	2,144	895
Materials and supplies	139,875	116,473	23,402
	279,441	256,576	22,865
Facilities:			
Contractual services	136,076	121,067	15,009
Public works administration:			
Personnel services	648,389	671,530	(23,141)
Contractual services	45,565	21,422	24,143
Materials and supplies	327,460	280,228	47,232
	1,021,414	973,180	48,234
Total public works	$ 1,763,438	$ 1,650,051	$ 113,387

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Parks and recreation:			
Parks:			
Personnel services	$ 387,540	$ 352,399	$ 35,141
Contractual services	120,152	129,612	(9,460)
Materials and supplies	75,932	72,589	3,343
	583,624	554,600	29,024
Parks Watershed:			
Personnel services	120,905	86,964	33,941
Contractual services	70,261	49,862	20,399
Materials and supplies	54,205	34,931	19,274
	245,371	171,757	73,614
Municipal pool:			
Personnel services	118,415	101,899	16,516
Contractual services	14,578	7,005	7,573
Materials and supplies	37,000	28,308	8,692
	169,993	137,212	32,781
Oak Hill Cemetery:			
Contractual services	13,500	7,875	5,625
Materials and supplies	500	1,070	(570)
	14,000	8,945	5,055
Total parks and recreation	1,012,988	872,514	140,474
Non-departmental:			
Contingency	1,444,970	-	1,444,970
Total expenditures	10,758,495	9,147,224	1,611,271
Excess (deficiency) of revenues over (under) expenditures	$ (2,731,923)	$ (704,508)	$ 2,027,415

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Other financing sources (uses):			
Sale of capital assets	$ 15,000	$ 17,435	$ 2,435
Insurance proceeds	-	2,218	2,218
Issuance of lease obligations	-	1,654	1,654
Issuance of SBITA liabilities	-	391,448	391,448
Principal paid	-	(196,657)	(196,657)
Interest paid	-	(48,005)	(48,005)
Transfers in	722,714	722,714	-
Transfers out	(592,000)	(592,000)	-
Total other financing sources (uses)	145,714	298,807	153,093
Net change in fund balances	(2,586,209)	(405,701)	2,180,508
Fund balances, beginning of year	2,586,209	3,747,856	1,161,647
Fund balances, end of year	$ -	$ 3,342,155	$ 3,342,155

CITY OF ATCHISON, KANSAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

1 - General

All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

2 - Reconciliation

Explanation of differences between budget and GAAP net change in fund balances:

Net change in fund balance - budget	$	(405,701)
Net change in fund balance for non-budgeted funds included with the General Fund on GAAP basis financials:		
Insurance reserve		(7,680)
Municipal equipment reserve		822,634
Law enforcement		(1,000)
Health insurance fund		141,018
Encumbrances for equipment and supplies ordered but not yet received are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes:		
2023 encumbrances		31,256
2022 encumbrances		(30,830)
Net change in fund balance - GAAP	$	549,697

CITY OF ATCHISON, KANSAS
Schedule of the Changes in the City's Total OPEB Liability and Related Ratios -
Health Insurance
Last Seven Fiscal Years[1]

	2023	2022	2021
Total OPEB liability:			
Service cost	$ 46,816	$ 67,353	$ 75,862
Interest	26,537	17,700	18,739
Change in benefit terms	-	-	-
Difference between expected and actual experience	38,579	(1,483)	(111,232)
Changes in assumptions and inputs	(6,768)	(271,203)	(29,429)
Benefit payments	(27,124)	(22,130)	(45,604)
Net change in total OPEB liability	78,040	(209,763)	(91,664)
Total OPEB liability, beginning	601,595	811,358	903,022
Total OPEB liability, ending	$ 679,635	$ 601,595	$ 811,358
Covered payroll	$ 4,795,041	$ 4,795,041	$ 4,593,362
City's total OPEB liability as a percentage of covered payroll	14.17%	12.55%	17.66%

	2020	2019	2018	2017
Total OPEB liability:				
Service cost	$ 59,333	$ 45,189	$ 60,539	$ 52,339
Interest	23,505	26,172	26,908	27,040
Change in benefit terms	32,846	-	13,261	-
Difference between expected and actual experience	12,633	(84,767)	(178,623)	-
Changes in assumptions and inputs	71,469	103,136	(2,647)	41,801
Benefit payments	(41,880)	(21,244)	(25,500)	(10,621)
Net change in total OPEB liability	157,906	68,486	(106,062)	110,559
Total OPEB liability, beginning	745,116	676,630	782,692	672,133
Total OPEB liability, ending	$ 903,022	$ 745,116	$ 676,630	$ 782,692
Covered payroll	$ 4,616,086	$ 4,616,086	$ 4,039,623	$ 4,039,623
City's total OPEB liability as a percentage of covered payroll	19.56%	16.14%	16.75%	19.38%

[1]GASB 75 requires presentation of 10 years. Data was not available prior to fiscal year 2017. Therefore, 10 years of data is unavailable.

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

CITY OF ATCHISON, KANSAS
Schedule of the Changes in the City's Total OPEB Liability and Related Ratios -
Disability Benefits and Life Insurance
Last Seven Fiscal Years[1]

	2023	2022	2021
Total OPEB liability			
Service cost	$ 6,537	$ 12,253	$ 11,008
Interest on total OPEB liability	2,699	2,535	2,389
Effect of economic/demographic gains or losses	(9,700)	(24,940)	(1,400)
Effect of assumptions changes or inputs	(375)	(20,910)	283
Benefit payments	(4,300)	(4,300)	(4,300)
Net change in total OPEB liability	(5,139)	(35,362)	7,980
Total OPEB liability, beginning	71,844	107,206	99,226
Total OPEB liability, ending	$ 66,705	$ 71,844	$ 107,206
Covered payroll	$ 2,494,815	$ 2,582,821	$ 2,814,335
City's total OPEB liability as a percentage of covered payroll	2.67%	2.78%	3.81%

	2020	2019	2018	2017
Total OPEB liability				
Service cost	$ 9,527	$ 8,336	$ 8,274	$ 8,519
Interest on total OPEB liability	3,209	3,262	3,197	2,541
Effect of economic/demographic gains or losses	(2,646)	(3,044)	(10,577)	-
Effect of assumptions changes or inputs	9,127	1,993	(1,688)	(4,599)
Benefit payments	(4,300)	(4,300)	(4,300)	(7,805)
Net change in total OPEB liability	14,917	6,247	(5,094)	(1,344)
Total OPEB liability, beginning	84,309	78,062	83,156	84,500
Total OPEB liability, ending	$ 99,226	$ 84,309	$ 78,062	$ 83,156
Covered payroll	$ 2,573,667	$ 2,520,302	$ 2,333,844	$ 2,243,841
City's total OPEB liability as a percentage of covered payroll	3.86%	3.35%	3.34%	3.71%

[1]GASB 75 requires presentation of 10 years. Data was not available prior to fiscal year 2017. Therefore, 10 years of data is unavailable.

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

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

	2023	2022	2021	2020	2019
City's proportion of the collective net pension liability:					
KPERS	0.130296%	0.150779%	0.150013%	0.155893%	0.149352%
KP&F	0.329822%	0.359305%	0.358133%	0.362262%	0.370808%
City's proportionate share of the collective net pension liability	$ 8,001,586	$ 8,179,564	$ 5,217,554	$ 7,169,831	$ 5,840,026
City's covered payroll	$ 4,951,977	$ 4,875,954	$ 5,050,544	$ 4,870,229	$ 4,664,592
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	162%	168%	103%	147%	125%
Plan fiduciary net position as a percentage of the total pension liability	70.70%	69.75%	76.40%	66.30%	69.88%

	2018	2017	2016	2015	2014
City's proportion of the collective net pension liability:					
KPERS	0.139132%	0.144451%	0.115515%	0.178344%	0.151326%
KP&F	0.371516%	0.368159%	0.444896%	0.356217%	0.394653%
City's proportionate share of the collective net pension liability	$ 5,513,940	$ 5,544,868	$ 5,919,082	$ 4,938,289	$ 4,450,840
City's covered payroll	$ 4,393,383	$ 4,408,474	$ 4,344,866	$ 4,329,067	$ 4,299,827
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	126%	126%	136%	114%	104%
Plan fiduciary net position as a percentage of the total pension liability	68.88%	67.12%	65.10%	64.95%	66.60%

CITY OF ATCHISON, KANSAS
ATCHISON PUBLIC LIBRARY
Schedule of the Library's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Library's proportion of the collective net pension liability:					
KPERS Atchison Public Library	0.012221%	0.012719%	0.012924%	0.013595%	0.014471%
Library's proportionate share of the collective net pension liability	$ 256,385	$ 252,859	$ 155,082	$ 235,690	$ 202,214
Library's covered payroll	$ 265,130	$ 255,632	$ 253,765	$ 256,529	$ 306,778
Library's proportionate share of the collective net pension liability as a percentage of its covered payroll	97%	99%	61%	92%	66%
Plan fiduciary net position as a percentage of the total pension liability	70.70%	69.75%	76.40%	66.30%	69.88%

	2018	2017	2016	2015	2014
Library's proportion of the collective net pension liability:					
KPERS Atchison Public Library	0.014206%	0.013675%	0.014563%	0.014725%	1.711600%
Library's proportionate share of the collective net pension liability	$ 198,002	$ 198,076	$ 225,294	$ 193,346	$ 210,666
Library's covered payroll	$ 277,389	$ 242,343	$ 249,780	$ 246,283	$ 282,085
Library's proportionate share of the collective net pension liability as a percentage of its covered payroll	71%	82%	90%	79%	75%
Plan fiduciary net position as a percentage of the total pension liability	68.88%	67.12%	65.10%	64.95%	66.60%

CITY OF ATCHISON, KANSAS
Schedule of the City's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Contractually required contribution	$ 747,730	$ 745,655	$ 721,861	$ 739,515	$ 693,056
Contributions in relation to the contractually required contribution	747,730	745,823	721,770	739,610	693,056
Contribution excess (deficiency)	$ -	$ 168	$ (91)	$ 95	$ -
City's covered payroll	$ 4,881,818	$ 4,847,355	$ 4,803,268	$ 4,997,416	$ 4,803,389
Contributions as a percentage of covered payroll	15.32%	15.38%	15.03%	14.80%	14.43%

	2018	2017	2016	2015	2014
Contractually required contribution	$ 590,984	$ 560,943	$ 619,278	$ 626,020	$ 638,863
Contributions in relation to the contractually required contribution	590,984	560,943	619,278	625,413	638,863
Contribution excess (deficiency)	$ -	$ -	$ -	$ (607)	$ -
City's covered payroll	$ 4,398,583	$ 4,290,448	$ 4,410,377	$ 4,291,557	$ 4,327,392
Contributions as a percentage of covered payroll	13.44%	13.07%	14.04%	14.59%	14.76%

CITY OF ATCHISON, KANSAS
ATCHISON PUBLIC LIBRARY
Schedule of the Library's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Contractually required contribution	$ 21,473	$ 23,338	$ 22,659	$ 21,370	$ 24,460
Contributions in relation to the contractually required contribution	21,473	23,338	22,659	21,370	24,460
Contribution deficiency	$ -	$ -	$ -	$ -	$ -
Library's covered payroll	$ 254,727	$ 262,225	$ 255,459	$ 248,196	$ 275,134
Contributions as a percentage of covered payroll	8.43%	8.90%	8.87%	8.61%	8.89%

	2018	2017	2016	2015	2014
Contractually required contribution	$ 22,859	$ 20,483	$ 23,076	$ 22,594	$ 22,953
Contributions in relation to the contractually required contribution	22,859	20,483	23,076	22,594	22,953
Contribution deficiency	$ -	$ -	$ -	$ -	$ -
Library's covered payroll	$ 272,452	$ 242,118	$ 251,371	$ 238,337	$ 259,654
Contributions as a percentage of covered payroll	8.39%	8.46%	9.18%	9.48%	8.84%

Other Supplementary Information

2023

OTHER SUPPLEMENTARY INFORMATION

CITY OF ATCHISON, KANSAS
COMBINING BALANCE SHEET
GENERAL FUND
December 31, 2023

	General	Insurance Reserve	Municipal Equipment Reserve	Law Enforcement	Façade Improvements	Health Insurance Fund	Eliminations	Total General Fund
Assets:								
Cash and cash equivalents	$ 3,161,941	$ 65,333	$ 803,861	$ 26,752	$ 104,967	$ 472,459	$ -	$ 4,635,313
Receivables (net of allowances for uncollectibles):								
Taxes	3,544,710	-	-	-	-	-	-	3,544,710
Accounts	108,081	-	-	-	-	-	-	108,081
Interest	37,502	-	-	-	-	-	-	37,502
Loans	-	-	-	-	38,386	-	-	38,386
Leases	2,703,877	-	-	-	-	-	-	2,703,877
Due from other funds	-	-	682	-	-	-	(682)	-
Total assets	$ 9,556,111	$ 65,333	$ 804,543	$ 26,752	$ 143,353	$ 472,459	$ (682)	$ 11,067,869
Liabilities, deferred inflows of resources, and fund balances:								
Liabilities:								
Accounts payable	$ 348,715	$ -	$ 2,606	$ -	$ -	$ 205,978	$ -	$ 557,299
Accrued payroll	94,224	-	-	-	-	-	-	94,224
Estimated insurance claims	-	-	-	-	-	125,463	-	125,463
Due to other funds	682	-	-	-	-	-	(682)	-
Total liabilities	443,621	-	2,606	-	-	331,441	(682)	776,986
Deferred inflows of resources:								
Deferred inflows - property taxes	3,051,912	-	-	-	-	-	-	3,051,912
Deferred inflows - leases	2,687,167	-	-	-	-	-	-	2,687,167
Total deferred inflows of resources	5,739,079	-	-	-	-	-	-	5,739,079
Fund balances:								
Assigned	31,256	65,333	801,937	26,752	143,353	141,018	-	1,209,649
Unassigned	3,342,155	-	-	-	-	-	-	3,342,155
Total fund balances	3,373,411	65,333	801,937	26,752	143,353	141,018	-	4,551,804
Total liabilities, deferred inflows of resources, and fund balances	$ 9,556,111	$ 65,333	$ 804,543	$ 26,752	$ 143,353	$ 472,459	$ (682)	$ 11,067,869

CITY OF ATCHISON, KANSAS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GENERAL FUND
Year Ended December 31, 2023

	General	Insurance Reserve	Municipal Equipment Reserve	Law Enforcement	Façade Improvements	Health Insurance Fund	Eliminations	Total General Fund
Revenues:								
Taxes:								
Property	$ 3,517,900	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,517,900
Sales	2,182,240	-	-	-	-	-	-	2,182,240
Franchise	1,519,983	-	-	-	-	-	-	1,519,983
Transient guest	255,108	-	-	-	-	-	-	255,108
Payments in lieu of taxes	28,045	-	-	-	-	-	-	28,045
Intergovernmental	159,937	-	-	-	-	-	-	159,937
Licenses and permits	113,783	-	-	-	-	-	-	113,783
Charges for services	366,260	-	-	-	-	-	-	366,260
Fines and fees	174,252	-	-	-	-	-	-	174,252
Interest on investments	69,084	-	-	-	-	-	-	69,084
Operating grants	8,690	-	-	-	-	-	-	8,690
Other	47,434	-	-	-	-	-	-	47,434
Total revenues	8,442,716	-	-	-	-	-	-	8,442,716
Expenditures:								
Current:								
General government	2,366,973	31,419	225	-	-	125,463	-	2,524,080
Public works	1,543,410	-	-	-	-	-	-	1,543,410
Public safety	4,091,453	-	-	1,000	-	-	-	4,092,453
Parks and recreation	751,860	-	-	-	-	-	-	751,860
Debt service:								
Principal	196,657	-	35,305	-	-	-	-	231,962
Interest and fiscal charges	48,005	-	3,388	-	-	-	-	51,393
Capital outlay	393,102	-	845,136	-	-	-	-	1,238,238
Total expenditures	9,391,460	31,419	884,054	1,000	-	125,463	-	10,433,396
Excess (deficiency) of revenues over expenditures	(948,744)	(31,419)	(884,054)	(1,000)	-	(125,463)	-	(1,990,680)
Other financing sources (uses):								
Sale of capital assets	17,435	-	-	-	-	-	-	17,435
Issuance of lease obligations	1,654	-	-	-	-	-	-	1,654
Issuance of notes payable - financed purchases	-	-	722,404	-	-	-	-	722,404
Issuance of SBITA liabilities	391,448	-	-	-	-	-	-	391,448
Insurance recoveries	2,218	13,739	-	-	-	266,481	-	282,438
Transfers in	722,714	10,000	1,014,137	-	-	-	(422,000)	1,324,851
Transfers out	(592,000)	-	(29,853)	-	-	-	422,000	(199,853)
Total other financing sources	543,469	23,739	1,706,688	-	-	266,481	-	2,540,377
Net change in fund balances	(405,275)	(7,680)	822,634	(1,000)	-	141,018	-	549,697
Fund balances, beginning of year	3,778,686	73,013	(20,697)	27,752	143,353	-	-	4,002,107
Fund balances, end of year	$ 3,373,411	$ 65,333	$ 801,937	$ 26,752	$ 143,353	$ 141,018	$ -	$ 4,551,804

CITY OF ATCHISON, KANSAS
NONMAJOR GOVERNMENTAL FUNDS
Special Revenue Funds

Special Alcohol - to account for revenues and expenditures for the prevention of drug and alcohol abuse.

Special Parks and Recreation - to account for revenues and expenditures for the upkeep and upgrade of existing parks and recreation facilities.

Motor Fuel - to account for the City's highway aid payments distributed from the State.

DARE - to account for funds donated that will be used specifically for DARE activities in the Police Department.

Land Bank - to account for acquisition of tax-delinquent property and hold it for sale to developers who could redevelop it.

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

	Special Revenue					
	Special Alcohol	Special Parks and Recreation	Motor Fuel	DARE	Land Bank	Total Nonmajor Governmental Funds
Assets:						
Cash and cash equivalents	$ 66,574	$ 76,837	$ 182,429	$ 28,282	$ 176,781	$ 530,903
Fund balances:						
Restricted:						
Substance abuse prevention and emergency shelter	$ 66,574	$ -	$ -	$ -	$ -	$ 66,574
Capital projects and maintenance	-	-	182,429	-	-	182,429
Parks and recreation facilities	-	76,837	-	-	-	76,837
Acquisition and re-development of property	-	-	-	-	176,781	176,781
Assigned	-	-	-	28,282	-	28,282
Total fund balances	66,574	76,837	182,429	28,282	176,781	530,903
Total liabilities and fund balances	$ 66,574	$ 76,837	$ 182,429	$ 28,282	$ 176,781	$ 530,903

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

	Special Revenue					
	Special Alcohol	Special Parks and Recreation	Motor Fuel	DARE	Land Bank	Total Nonmajor Governmental Funds
Revenues:						
Intergovernmental	$ 54,387	$ 54,387	$ 289,707	$ -	$ -	$ 398,481
Other	-	-	-	1,000	77,990	78,990
Total revenues	54,387	54,387	289,707	1,000	77,990	477,471
Expenditures:						
Current:						
General government	35,397	-	178,552	-	11,923	225,872
Public safety	-	-	-	1,481	-	1,481
Parks and recreation	-	8,113	-	-	-	8,113
Total expenditures	35,397	8,113	178,552	1,481	11,923	235,466
Excess (deficit) of revenues over expenditures	18,990	46,274	111,155	(481)	66,067	242,005
Other financing sources (uses):						
Transfers in	-	-	-	-	20,000	20,000
Transfers out	-	(20,000)	(75,000)	-	-	(95,000)
Total other financing sources (uses)	-	(20,000)	(75,000)	-	20,000	(75,000)
Net change in fund balances	18,990	26,274	36,155	(481)	86,067	167,005
Fund balances, beginning of year	47,584	50,563	146,274	28,763	90,714	363,898
Fund balances, end of year	$ 66,574	$ 76,837	$ 182,429	$ 28,282	$ 176,781	$ 530,903

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

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	$ 37,859	$ 54,387	$ 16,528
Expenditures:			
Contractual services	35,741	35,397	344
Net change in fund balances	2,118	18,990	16,872
Fund balances, beginning of year	32,593	47,584	14,991
Fund balances, end of year	$ 34,711	$ 66,574	$ 31,863

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

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	$ 37,860	$ 54,387	$ 16,527
Expenditures:			
Contractual services	12,000	8,113	3,887
Excess of revenues over expenditures	25,860	46,274	20,414
Other financing uses:			
Transfers out	(20,000)	(20,000)	-
Net change in fund balances	5,860	26,274	20,414
Fund balances, beginning of year	27,743	50,563	22,820
Fund balances, end of year	$ 33,603	$ 76,837	$ 43,234

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MOTOR FUEL FUND
Year Ended December 31, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	$ 291,270	$ 289,707	$ (1,563)
Expenditures:			
Contractual services	205,700	178,552	27,148
Excess of revenues over expenditures	85,570	111,155	25,585
Other financing uses:			
Transfers out	(75,000)	(75,000)	-
Net change in fund balances	10,570	36,155	25,585
Fund balance, beginning of year	144,685	146,274	1,589
Fund balance, end of year	$ 155,255	$ 182,429	$ 27,174

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LAND BANK FUND
Year Ended December 31, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Other	$ 1,110	$ 77,990	$ 76,880
Expenditures:			
Contractual services	15,000	11,923	3,077
Material and supplies	500	-	500
Total expenditures	15,500	11,923	3,577
Excess (deficiency) of revenues over (under) expenditures	(14,390)	66,067	80,457
Other financing sources:			
Transfers in	20,000	20,000	-
Net change in fund balances	5,610	86,067	80,457
Fund balances, beginning of year	41,216	90,714	49,498
Fund balances, end of year	$ 46,826	$ 176,781	$ 129,955

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Ad valorem tax	$ 740,354	$ 748,623	$ 8,269
Recreational vehicle tax	732	629	(103)
16-20M vehicle tax	705	606	(99)
Motor vehicle tax	74,062	70,215	(3,847)
Vehicle excise tax	119	6	(113)
Total taxes	815,972	820,079	4,107
Special assessments	102,612	101,580	(1,032)
Other	16,667	16,667	-
Total revenues	935,251	938,326	3,075
Expenditures:			
Principal	936,308	790,000	146,308
Interest	121,798	165,425	(43,627)
Special assessments	103,627	-	103,627
Miscellaneous expense	10,000	-	10,000
Total expenditures	1,171,733	955,425	216,308
Net change in fund balances	(236,482)	(17,099)	219,383
Fund balances, beginning of year	284,753	339,109	54,356
Fund balances, end of year	$ 48,271	$ 322,010	$ 273,739

CITY OF ATCHISON, KANSAS
FIDUCIARY FUNDS
Custodial Funds

Amelia Earhart Festival – accounts for activities for the weeklong celebration of the life of Amelia Earhart. Events include live entertainment, food, arts & crafts, fireworks, and an award celebration.

Santa Fe Depot Enhancement – accounts for capital improvements to the historic Santa Fe Depot building.

Veteran's Memorial Park – accounts for funds contributed to maintain the veterans pavilion within the riverfront park.

CITY OF ATCHISON, KANSAS
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2023

	Custodial			
	Amelia Earhart Festival	Santa Fe Depot Enhancement	Veteran's Memorial Park	Totals
Assets:				
Cash and cash equivalents	$ 95,334	$ 57,268	$ 1,381	$ 153,983
Liabilities:				
Due to others	$ 735	$ -	$ -	$ 735
Net Position:				
Restricted for:				
Individuals, organizations, and other governments	94,599	57,268	1,381	153,248
Total liabilities and net position	$ 95,334	$ 57,268	$ 1,381	$ 153,983

CITY OF ATCHISON, KANSAS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2023

	Custodial			
	Amelia Earhart Festival	Santa Fe Depot Enhancement	Veteran's Memorial Park	Totals
Additions:				
Charges for service	$ 54,009	$ -	$ -	$ 54,009
Contributions	282,133	-	-	282,133
Miscellaneous	(335)	-	-	(335)
Total additions	335,807	-	-	335,807
Deductions:				
Payments to others	227,256	-	-	227,256
Administrative	36,389	-	-	36,389
Miscellaneous	14,961	-	-	14,961
Total deductions	278,606	-	-	278,606
Net change in net position	57,201	-	-	57,201
Net position, beginning of year	37,398	57,268	1,381	96,047
Net position, end of year	$ 94,599	$ 57,268	$ 1,381	$ 153,248

CITY OF ATCHISON, KANSAS
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
PUBLIC LIBRARY
December 31, 2023

Assets:		
Cash	$	386,114
Investments		68,958
Taxes receivable		648,284
Total assets	$	1,103,356
Deferred inflows of resources and fund balances:		
Deferred inflows of resources:		
Deferred inflow - property taxes	$	648,284
Fund balances:		
Restricted:		
Building improvements		6,065
Reading programs		16,673
Books		7,284
Assigned		425,050
Total fund balances		455,072
Total deferred inflows of resources, and fund balances	$	1,103,356

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNIT
PUBLIC LIBRARY
Year Ended December 31, 2023

Revenues:		
Taxes	$	723,956
Charges for services		7,074
Grants and contributions		65,726
Investment income		16,567
Total revenues		813,323
Expenditures:		
Current:		
Education		781,934
Excess of revenues over expenditures		31,389
Fund balances, beginning of year		423,683
Fund balances, end of year	$	455,072

Statistical Section

2023

STATISTICAL SECTION

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

Contents **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. 105

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, water/wastewater charges for services, as well as its property tax. 110

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. 119

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. 122

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. 125

CITY OF ATCHISON, KANSAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	$ 14,706,052	$ 16,480,463	$ 16,836,454	$ 17,551,340	$ 18,927,532
Restricted	283,119	114,925	122,116	164,562	314,664
Unrestricted	4,016,612	(347,178)	(416,223)	23,074	(1,018,064)
Total Governmental activities net position	$ 19,005,783	$ 16,248,210	$ 16,542,347	$ 17,738,976	$ 18,224,132
Business-type activities					
Net investment in capital assets	$ 13,111,660	$ 14,497,188	$ 15,200,765	$ 19,304,454	$ 20,693,940
Unrestricted	6,619,694	5,012,895	5,701,739	5,430,455	5,185,424
Total business-type activities net position	$ 19,731,354	$ 19,510,083	$ 20,902,504	$ 24,734,909	$ 25,879,364
Primary Government					
Net investment in capital assets	$ 27,817,712	$ 30,977,651	$ 32,037,219	$ 36,855,794	$ 39,621,472
Restricted	283,119	114,925	122,116	164,562	314,664
Unrestricted	10,636,306	4,665,717	5,285,516	5,453,529	4,167,360
Total primary government net position	$ 38,737,137	$ 35,758,293	$ 37,444,851	$ 42,473,885	$ 44,103,496

	2019	2020	2021	2022	2023
Governmental activities					
Net investment in capital assets	$ 20,329,321	$ 20,448,417	$ 23,250,701	$ 24,972,948	$ 27,137,458
Restricted	550,630	611,918	1,447,179	2,905,693	1,595,864
Unrestricted	(1,654,526)	(671,379)	(885,439)	439,529	948,746
Total Governmental activities net position	$ 19,225,425	$ 20,388,956	$ 23,812,441	$ 28,318,170	$ 29,682,068
Business-type activities					
Net investment in capital assets	$ 21,181,158	$ 20,375,480	$ 20,224,827	$ 20,385,316	$ 20,679,162
Unrestricted	5,043,418	6,936,498	7,810,232	7,818,856	7,288,714
Total business-type activities net position	$ 26,224,576	$ 27,311,978	$ 28,035,059	$ 28,204,172	$ 27,967,876
Primary Government					
Net investment in capital assets	$ 41,510,479	$ 40,823,897	$ 43,475,528	$ 45,358,264	$ 47,816,620
Restricted	550,630	611,918	1,447,179	2,905,693	1,595,864
Unrestricted	3,388,892	6,265,119	6,924,793	8,258,385	8,237,460
Total primary government net position	$ 45,450,001	$ 47,700,934	$ 51,847,500	$ 56,522,342	$ 57,649,944

CITY OF ATCHISON, KANSAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2014	2015	2016	2017	2018
Expenses					
Governmental Activities:					
General Government	$ 3,180,703	$ 2,839,712	$ 2,960,219	$ 3,333,475	$ 4,067,806
Public Safety	3,321,191	3,059,215	3,466,334	3,321,488	3,607,731
Public Works	2,100,754	2,109,452	1,931,845	1,972,702	1,873,168
Parks and Recreation	316,136	339,831	352,838	377,475	697,459
Interest on long-term debt	215,786	200,127	182,710	213,234	269,729
Total governmental activities expenses	9,134,570	8,548,337	8,893,946	9,218,374	10,515,893
Business-type activities:					
Water/Wastewater	2,349,173	2,545,497	2,832,061	3,105,512	3,246,144
Wastewater	1,617,152	1,845,541	1,808,674	1,908,248	2,062,169
Refuse	406,798	891,962	927,392	941,619	994,968
Total business-type activities	4,373,123	5,283,000	5,568,127	5,955,379	6,303,281
Total primary government expenses	$ 13,507,693	$ 13,831,337	$ 14,462,073	$ 15,173,753	$ 16,819,174
Program Revenues					
Governmental Activities:					
Charges for services:					
General Government	$ 367,997	$ 371,388	$ 477,994	$ 358,322	$ 355,404
Public Safety	78,169	69,626	70,453	119,177	71,745
Public Works	128,992	332,939	349,890	357,143	361,342
Operating grants and contributions	587,508	421,178	492,067	947,573	957,462
Capital grants and contributions	456,776	400,617	223,423	722,660	1,033,570
Total governmental activities programs revenues	1,619,442	1,595,748	1,613,827	2,504,875	2,779,523
Business-type activities:					
Charges for services:					
Water/Wastewater	3,979,202	4,069,473	4,244,775	4,206,276	4,334,769
Wastewater	1,924,969	2,433,689	2,694,359	2,640,177	2,731,147
Refuse	551,126	147,808	3,897	8,237	9,223
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	8,360	2,725,030	-
Total business-type activities program revenues	6,455,297	6,650,970	6,951,391	9,579,720	7,075,139
Total primary government program revenues	$ 8,074,739	$ 8,246,718	$ 8,565,218	$ 12,084,595	$ 9,854,662
Net (Expense)/Revenue					
Governmental activities	$ (7,515,128)	$ (6,952,589)	$ (7,280,119)	$ (6,713,499)	$ (7,736,370)
Business-type activities	2,082,174	1,367,970	1,383,264	3,624,341	771,858
Total primary government net expense	$ (5,432,954)	$ (5,584,619)	$ (5,896,855)	$ (3,089,158)	$ (6,964,512)

	2019	2020	2021	2022	2023
Expenses					
Governmental Activities:					
General Government	$ 3,856,727	$ 3,362,531	$ 3,673,249	$ 3,944,238	$ 4,031,766
Public Safety	3,867,283	4,053,961	3,846,626	4,216,301	4,840,705
Public Works	1,959,836	2,080,994	2,145,577	2,317,454	2,582,076
Parks and Recreation	761,558	684,490	802,623	863,203	877,018
Interest on long-term debt	155,822	278,475	228,798	214,712	378,151
Total governmental activities expenses	10,601,226	10,460,451	10,696,873	11,555,908	12,709,716
Business-type activities:					
Water/Wastewater	3,497,803	3,448,341	3,380,518	3,511,751	3,703,865
Wastewater	2,214,116	2,157,463	2,349,352	2,365,551	2,330,845
Refuse	1,012,046	948,025	996,169	597,171	547,516
Total business-type activities	6,723,965	6,553,829	6,726,039	6,474,473	6,582,226
Total primary government expenses	$ 17,325,191	$ 17,014,280	$ 17,422,912	$ 18,030,381	$ 19,291,942
Program Revenues					
Governmental Activities:					
Charges for services:					
General Government	$ 599,946	$ 373,913	$ 666,829	$ 650,781	$ 636,869
Public Safety	127,328	97,249	97,398	98,387	98,841
Public Works	368,541	156,108	272,992	143,642	240,025
Operating grants and contributions	704,764	847,596	1,586,811	2,474,942	1,341,044
Capital grants and contributions	742,314	1,289,438	2,247,925	2,105,118	2,251,174
Total governmental activities programs revenues	2,542,893	2,764,304	4,871,955	5,472,870	4,567,953
Business-type activities:					
Charges for services:					
Water/Wastewater	4,474,009	4,621,486	4,602,319	4,835,072	4,778,790
Wastewater	2,785,252	2,715,432	2,827,590	2,828,344	2,806,531
Refuse	11,525	14,270	16,643	20,073	748,083
Operating grants and contributions	-	-	-	-	50,000
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	7,270,786	7,351,188	7,446,552	7,683,489	8,383,404
Total primary government program revenues	$ 9,813,679	$ 10,115,492	$ 12,318,507	$ 13,156,359	$ 12,951,357
Net (Expense)/Revenue					
Governmental activities	$ (8,058,333)	$ (7,696,147)	$ (5,824,918)	$ (6,083,038)	$ (8,141,763)
Business-type activities	546,821	797,359	720,513	1,209,016	1,801,178
Total primary government net expense	$ (7,511,512)	$ (6,898,788)	$ (5,104,405)	$ (4,874,022)	$ (6,340,585)

(Continued)

CITY OF ATCHISON, KANSAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Continued)

	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	$ 3,226,669	$ 3,330,996	$ 3,331,078	$ 3,470,664	$ 3,791,093
Sales taxes	2,420,909	1,629,061	1,646,986	1,738,735	1,775,424
Franchise Taxes	1,509,455	1,420,580	1,336,005	1,363,115	1,448,526
Guest taxes	136,092	133,868	127,418	150,034	168,245
Payments in lieu of taxes	23,307	21,501	25,477	23,189	24,307
Special Assessments	-	-	-	-	-
Unrestricted investment earnings	443	1,242	28,323	69,814	128,680
Gain on disposal of asset	32,291	40,664	97,142	79,454	23,137
Transfers	1,076,338	1,827,209	981,827	923,782	818,720
Total governmental activities	8,425,504	8,405,121	7,574,256	7,818,787	8,178,132
Business-type activities:					
Sales Taxes	165,123	980,458	964,161	1,057,363	1,056,145
Unrestricted investment earnings	592	1,276	26,823	59,758	116,372
Insurance recoveries	-	-	-	8,325	-
Gain on disposal of asset	3,100	43,789	-	6,400	18,800
Transfers	(1,076,338)	(1,827,209)	(981,827)	(923,782)	(818,720)
Total business-type activities	(907,523)	(801,686)	9,157	208,064	372,597
Total primary government	$ 7,517,981	$ 7,603,435	$ 7,583,413	$ 8,026,851	$ 8,550,729
Change in Net Position					
Governmental activities	$ 910,376	$ 1,452,532	$ 294,137	$ 1,105,288	$ 441,762
Business-type activities	1,174,651	566,284	1,392,421	3,832,405	1,144,455
Total primary government	$ 2,085,027	$ 2,018,816	$ 1,686,558	$ 4,937,693	$ 1,586,217

	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	$ 3,927,589	$ 4,022,258	$ 4,192,137	$ 4,223,363	$ 4,337,979
Sales taxes	1,892,867	2,154,534	2,156,694	2,173,877	2,200,385
Franchise Taxes	1,431,831	1,334,617	1,338,530	1,625,448	1,519,983
Guest taxes	201,152	162,587	201,113	228,341	266,842
Payments in lieu of taxes	23,892	27,384	29,380	56,317	28,045
Special Assessments	-	-	-	-	102,612
Unrestricted investment earnings	116,650	20,780	169	43,033	72,995
Gain on disposal of asset	28,330	28,090	12,795	(186,228)	-
Transfers	1,437,315	1,109,428	1,317,585	2,424,616	2,373,054
Total governmental activities	9,059,626	8,859,678	9,248,403	10,588,767	10,901,895
Business-type activities:					
Sales Taxes	1,108,951	1,380,591	1,315,053	1,325,813	335,580
Unrestricted investment earnings	92,828	15,580	-	-	-
Insurance recoveries	-	-	-	-	-
Gain on disposal of asset	33,927	3,300	5,100	58,900	-
Transfers	(1,437,315)	(1,109,428)	(1,317,585)	(2,424,616)	(2,373,054)
Total business-type activities	(201,609)	290,043	2,568	(1,039,903)	(2,037,474)
Total primary government	$ 8,858,017	$ 9,149,721	$ 9,250,971	$ 9,548,864	$ 8,864,421
Change in Net Position					
Governmental activities	$ 1,001,293	$ 1,163,531	$ 3,423,485	$ 4,505,729	$ 2,760,132
Business-type activities	345,212	1,087,402	723,081	169,113	(236,296)
Total primary government	$ 1,346,505	$ 2,250,933	$ 4,146,566	$ 4,674,842	$ 2,523,836

CITY OF ATCHISON, KANSAS

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018
General Fund					
Assigned					
Purchases on order	$ 31,643	$ 5,691	$ 16,538	$ 36,321	$ 46,156
Subsequent year's budget appropriation of fund balances	422,127	584,003	308,654	408,212	591,660
Unassigned	1,669,626	1,686,144	1,960,729	2,225,958	2,342,221
Total general fund	$ 2,123,396	$ 2,275,838	$ 2,285,921	$ 2,670,491	$ 2,980,037
All Other Governmental Funds					
Restricted for:					
Substance abuse prevention and emergency shelter	$ 27,197	$ 9,718	$ 10,002	$ 15,771	$ 8,660
Debt service fund	294,062	99,452	17,725	-	771,736
Capital projects and maintenance	35,585	50,605	49,254	40,261	76,726
Public Safety	1,548	2,870	2,870	5,061	16,426
Parks and Recreation facilities	13,348	15,363	59,990	103,469	121,161
Acquisition and re-development of property	-	-	-	-	-
Assigned	3,095,772	2,659,685	2,761,296	2,782,506	1,149,970
Total all other governmental funds	$ 3,467,512	$ 2,837,693	$ 2,901,137	$ 2,947,068	$ 2,144,679

	2019	2020	2021	2022	2023
General Fund					
Assigned					
Purchases on order	$ 20,625	$ 40,453	$ 34,508	$ 30,830	$ 31,256
Subsequent year's budget appropriation of fund balances	640,080	420,384	306,970	244,118	1,178,393
Unassigned	2,303,072	3,085,389	3,753,473	3,727,159	3,342,155
Total general fund	$ 2,963,777	$ 3,546,226	$ 4,094,951	$ 4,002,107	$ 4,551,804
All Other Governmental Funds					
Restricted for:					
Substance abuse prevention and emergency shelter	$ 16,754	$ 18,608	$ 833,261	$ 2,199,172	$ 749,337
Debt service fund	456,605	516,458	475,928	426,751	412,555
Capital projects and maintenance	99,276	117,327	127,688	153,514	194,896
Public Safety	10,781	10,652	24,691	30,762	38,188
Parks and Recreation facilities	56,049	25,290	56,477	81,710	105,939
Acquisition and re-development of property	601	21,016	-	90,714	176,781
Assigned	1,304,279	915,539	1,319,608	1,855,727	2,346,284
	$ 1,944,345	$ 1,624,890	$ 2,837,653	$ 4,838,350	$ 4,023,980

CITY OF ATCHISON, KANSAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes:										
Property	$ 3,226,669	$ 3,330,996	$ 3,331,078	$ 3,470,664	$ 3,791,093	$ 3,927,589	$ 4,022,258	$ 4,192,137	$ 4,223,363	$ 4,337,979
Sales	2,420,909	1,629,061	1,646,986	1,738,735	1,775,424	1,892,867	2,154,534	2,156,694	2,173,877	2,200,385
Franchise	1,509,455	1,420,580	1,336,005	1,363,115	1,448,526	1,431,831	1,334,617	1,338,530	1,625,448	1,519,983
Guest	136,092	133,868	127,418	150,034	168,245	201,152	162,587	201,113	228,341	266,842
Payments in lieu of taxes	23,307	21,501	25,477	23,189	24,307	23,892	27,384	29,380	56,317	28,045
Intergovernmental	835,691	720,474	629,495	1,235,242	1,894,485	1,280,804	1,699,998	3,563,337	3,068,400	2,952,529
Licenses and permits	45,131	72,891	171,778	64,821	74,921	72,440	59,408	152,284	194,215	113,783
Charges for services	176,879	388,453	379,515	341,728	386,674	403,116	388,882	404,301	386,316	366,260
Fines and fees	225,256	188,751	221,242	196,392	181,289	174,826	115,631	205,987	170,990	174,252
Special Assessments	-	-	-	-		-	-	-	-	101,580
Interest on investments	443	1,242	28,323	69,814	128,680	116,650	20,780	169	43,033	72,995
Operating grants							199,799	26,402	74,504	8,690
Other	157,654	209,839	164,322	278,769	218,140	596,262	275,057	518,584	161,759	381,241
Total Revenues	8,757,486	8,117,656	8,061,639	8,932,503	10,091,783	10,121,429	10,460,935	12,788,918	12,406,563	12,524,564
Expenditures										
General government	2,544,990	2,318,616	2,407,727	2,763,157	3,449,366	3,326,569	2,738,022	2,945,802	3,211,935	3,409,212
Public works	1,824,005	1,750,137	1,594,803	1,557,711	1,387,650	1,341,996	1,432,148	1,407,376	1,474,581	1,543,410
Public safety	3,085,288	3,065,996	3,100,168	3,083,534	3,153,151	3,382,123	3,458,933	3,526,417	3,707,302	4,094,425
Parks and recreation	270,144	293,954	295,953	330,848	615,370	667,300	590,664	716,303	755,149	759,973
Debt Service										
Principal	483,241	644,773	691,367	685,701	521,177	1,439,256	655,352	840,032	2,107,008	1,137,162
Interest	100,743	227,024	190,088	176,509	183,152	214,670	271,837	271,630	212,948	241,396
Debt Issuance Costs	60,646	-	-	36,160	-	-	-	134,012	42,259	-
Capital outlay	10,363,991	6,406,395	2,279,529	2,825,920	3,795,868	4,748,040	4,225,021	4,573,246	4,179,141	6,267,802
Total Expenditures	18,733,048	14,706,895	10,559,635	11,459,540	13,105,734	15,119,954	13,371,977	14,414,818	15,690,323	17,453,380
Excess of revenues over/(under) expenditures	(9,975,562)	(6,589,239)	(2,497,996)	(2,527,037)	(3,013,952)	(4,998,525)	(2,911,042)	(1,625,900)	(3,283,760)	(4,928,816)
Other Financing Sources (Uses)										
Payment to refund temporary notes	(2,550,000)	-	-	-	-	-	-	-	-	-
Proceeds of general obligation bonds	4,645,000	-	-	1,205,000	-	2,780,000	1,250,000	-	-	-
Sale of capital assets	46,210	50,752	89,469	59,157	50,594	24,980	32,390	13,855	219,354	17,435
Insurance Proceeds	164,912	10,105	55,146	401,825	4,381	36,974	21,229		155,760	282,438
Bond proceeds					758,400	-			-	-
Proceeds from capital leases	-	-	179,712	-	-	-	178,069		-	-
Proceeds from temporary notes	-	-	-	-	-	-		1,200,000	-	-
Issuance of general obligation refunding bonds								2,870,000	1,260,000	1,415,000
Issuance of notes payable - financed purchases	-	-	-	-	-	-	-	-	-	722,404
Issuance of lease obligations									9,542	1,654
Issuance of SBITA liabilities	-	-	-	-	-	-	-	-	-	391,448
Payment to refunded bond escrow agent								(2,920,000)	-	-
Bond premium	27,408	-	-	-	-	-		107,829	-	-
Transfers in	8,047,911	7,430,291	2,795,864	1,695,274	1,901,739	3,157,030	1,963,506	2,323,765	4,321,262	3,524,851
Transfers out	(935,000)	(1,379,286)	(548,668)	(403,718)	(324,681)	(1,217,053)	(271,158)	(172,455)	(809,911)	(294,853)
Total other financing sources (uses)	9,446,441	6,111,862	2,571,523	2,957,538	2,390,433	4,781,931	3,174,036	3,422,994	5,156,007	6,060,377
Net change in fund balances	$ (529,121)	$ (477,377)	$ 73,527	$ 430,501	$ (623,519)	$ (216,594)	$ 262,994	$ 1,797,094	$ 1,872,247	$ 1,131,561
Debt service as a percentage of noncapital expenditures	6.9%	10.5%	9.2%	9.5%	6.9%	15.1%	9.6%	10.3%	18.3%	12.3%

CITY OF ATCHISON, KANSAS

PRINCIPAL WATER PURCHASERS

CURRENT YEAR AND NINE YEARS AGO

	2023			2014		
Water Purchaser	Gallons Consumed	Rank	Percentage of Total Gallons Consumed	Gallons Consumed	Rank	Percentage of Total Gallons Consumed
MGP Ingredients	583,089,263	1	53.15%	597,277,461	1	42.91%
Rural Water District #5	133,024,731	2	12.13%	109,278,400	2	7.85%
Benedictine College	23,861,118	3	2.18%	22,383,900	5	1.61%
Rural Water District #6	19,907,489	4	1.81%	23,844,467	4	1.71%
Bunge Milling	14,506,076	5	1.32%	12,421,819	6	0.89%
Bradken	12,897,996	6	1.18%	31,944,110	3	2.29%
Rural Water District #1	11,077,880	7	1.01%	10,853,480	7	0.78%
Atchison Public Schools	5,020,269	8	0.46%			
Atchison Hospital	5,014,383	9	0.46%	3,919,939	10	0.28%
Mount Saint Scholastica	4,656,233	10	0.42%	8,209,457	8	0.59%
Unit Rail Anchor				4,397,791	9	0.32%
Total	813,055,438		74.12%	824,530,824		59.23%

Source: City of Atchison Water Department

CITY OF ATCHISON, KANSAS

WATER PRODUCED AND CONSUMED

LAST TEN FISCAL YEARS
(thousands of gallons)

Fiscal Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled		Average Percent Unbilled	Base Rate
			Metered Provided For Free	Unaccounted For Water		
2014	1,392,016	1,069,542	78,489	248,952	23.52%	$ 27.34
2015	1,421,828	1,103,430	104,661	213,737	22.39%	$ 29.34
2016	1,264,147	1,064,994	59,463	139,690	15.75%	$ 30.81
2017	1,326,400	1,066,826	51,757	207,817	19.57%	$ 30.81
2018	1,356,600	1,109,122	85,386	162,092	18.24%	$ 31.12
2019	1,332,492	1,095,922	65,174	176,571	18.14%	$ 31.62
2020	1,313,018	1,112,175	28,229	173,753	15.38%	$ 32.37
2021	1,353,800	1,092,540	121,938	143,280	19.59%	$ 32.37
2022	1,616,246	1,182,439	124,769	412,837	33.26%	$ 32.37
2023	1,375,826	1,040,069	60,477	278,849	24.66%	$ 32.37

Source: City of Atchison Water Use reports
Base rate shown is for a 5/8" meter. See the Water Rate Schedule for other meter sizes and usage charges.

CITY OF ATCHISON, KANSAS

ANNUAL TAP SALES

LAST TEN FISCAL YEARS

Fiscal Year	Water Meter Taps Sold
2014	8
2015	1
2016	6
2017	1
2018	5
2019	6
2020	5
2021	8
2022	10
2023	7

Source: City of Atchison Water Utility

CITY OF ATCHISON, KANSAS

NUMBER OF WATER CUSTOMERS BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Water Customers				
	Residential	Commercial	Industrial	Rural Water Districts	Total
2014	3,624	431	42	6	4,103
2015	3,639	426	41	6	4,112
2016	3,647	440	31	7	4,125
2017	3,636	448	31	7	4,122
2018	3,656	449	33	7	4,145
2019	3,647	455	30	7	4,139
2020	3,675	449	30	7	4,161
2021	3,680	452	32	7	4,171
2022	3,664	430	30	7	4,131
2023	3,664	430	30	7	4,131

Source: City of Atchison Water Use reports

CITY OF ATCHISON, KANSAS

WATER RATES

LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Minimum Monthly Rates- All account types										
5/8 inch meter	$ 27.34	$ 29.34	$ 30.81	$ 30.81	$ 31.12	$ 31.62	$ 32.37	$ 32.37	$ 32.67	$ 32.67
3/4 inch meter	43.84	45.84	48.13	48.13	48.61	49.11	49.86	49.86	49.86	49.86
1 inch meter	73.15	75.15	78.91	78.91	79.70	80.20	80.95	80.95	80.95	80.95
1.5 inch meter	136.70	143.53	150.71	150.71	152.22	152.72	153.47	153.47	153.47	153.47
2 inch meter	184.93	194.18	203.89	203.89	205.93	206.43	207.18	207.18	207.18	207.18
3 inch meter	361.82	379.91	398.91	398.91	402.90	403.40	404.15	404.15	404.15	404.15
4 inch meter	603.05	633.19	664.85	664.85	671.50	672.00	672.75	672.75	672.75	672.75
6 inch meter	796.02	835.82	877.61	877.61	886.39	886.89	887.64	887.64	887.64	887.64
8 inch meter	924.67	970.90	1,019.44	1,019.44	1,029.64	1,030.14	1,030.89	1,030.89	1,030.89	1,030.89
Additional Monthly Charges- Residential										
0-1,997 gallons consumed (per 1,000 gallons)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1,998-4,989	4.757	4.757	4.995	4.995	5.045	5.045	5.045	5.045	5.045	5.045
4,990-9,971	4.612	4.612	4.842	4.842	4.890	4.890	4.890	4.890	4.890	4.890
9,972-49,860	4.386	4.386	4.605	4.605	4.651	4.651	4.651	4.651	4.651	4.651
49,861-99,731	4.096	4.096	4.300	4.300	4.343	4.343	4.343	4.343	4.343	4.343
99,732-199,469	3.773	3.773	3.962	3.962	4.001	4.001	4.001	4.001	4.001	4.001
Additional Monthly Charges Rates- Industrial										
0-49,869 gallons consumed (per 1,000 gallons)	$ 4.047	$ 4.250	$ 4.462	$ 4.462	$ 4.507	$ 4.642	$ 4.874	$ 5.118	$ 5.373	$ 5.642
49,870-99,731	3.918	4.114	4.320	4.320	4.363	4.494	4.718	4.954	5.202	5.462
99,732-149,600	3.467	3.640	3.822	3.822	3.860	3.976	4.175	4.383	4.603	4.833
149,601-199,469	3.177	3.335	3.502	3.502	3.537	3.643	3.825	4.016	4.217	4.428
199,470-997,331	2.612	2.743	2.880	2.880	2.908	2.996	3.145	3.303	3.468	3.641
997,332-4,986,669	2.128	2.235	2.347	2.347	2.370	2.441	2.563	2.691	2.826	2.967
4,986,670-9,973,331	0.968	1.016	1.067	1.067	1.074	1.107	1.162	1.220	1.281	1.345
9,973,331 and above	0.822	0.864	0.907	0.907	0.916	0.943	0.991	1.040	1.092	1.147

Source: City of Atchison Water Utility

Rates presented are for customers within the city limits. Customers outside the city limits are charged higher rates.
There were no rate changes for 2017, 2021, and 2023.

CITY OF ATCHISON, KANSAS

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

	2023			2014		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Evergy	$ 22,818,618	1	27.04%			
MGP Ingredients	5,907,836	2	7.00%	$ 4,209,905	1	6.82%
Union Pacific Railroad	4,807,294	3	5.70%			
Bartlett Grain	4,556,379	4	5.40%	2,928,379	3	4.75%
Bradken	3,293,704	5	3.90%	3,281,252	2	5.32%
Kansas Gas Service	2,773,020	6	3.29%			
Bunge Milling	2,459,448	7	2.91%			
Walmart	2,147,938	8	2.55%	2,238,236	4	3.63%
Almacenadora Afirme	1,461,415	9	1.73%			
Oneok North System	1,340,917	10	1.59%			
Atchison Tubular Services (formerly Northwest Pipe)				1,871,286	5	3.03%
Agree Atchison				894,350	8	1.45%
Blish-Mize				1,261,326	6	2.04%
Golden Star				1,034,051	7	1.68%
Right on Track LLC				367,400	10	0.60%
Atchison Hospital Association				496,969	9	0.81%
Total	$ 51,566,569		61%	$ 18,583,154		30%

Source: Atchison County Clerk

CITY OF ATCHISON, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Real Estate	Personal Property	Utilities	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed to Total Estimated Actual Value
2014	$62,721,455	$ 4,227,171	$ 5,849,040	$11,097,689	$61,699,977	$ 54.234	$484,916,097	12.72%
2015	63,090,321	3,814,598	5,927,124	8,717,980	64,114,063	54.089	483,243,848	13.27%
2016	62,477,029	3,676,815	6,558,267	8,005,290	64,706,821	54.111	486,341,158	13.30%
2017	62,446,658	3,552,787	6,552,359	6,870,472	65,681,332	53.949	494,307,053	13.29%
2018	63,765,522	3,469,399	6,915,667	6,024,109	68,126,479	53.959	499,467,910	13.64%
2019	63,352,053	2,959,092	8,880,237	6,610,872	68,580,510	55.459	507,144,057	13.52%
2020	64,551,036	2,958,473	8,962,929	4,840,704	71,631,734	58.050	516,000,779	13.88%
2021	65,415,683	3,189,951	9,337,633	4,514,879	73,428,388	58.037	528,908,522	13.88%
2022	65,955,559	3,095,415	9,413,460	4,210,040	74,254,394	57.928	586,518,844	12.66%
2023	74,936,800	2,958,251	10,297,041	3,810,517	84,381,575	54.374	644,025,303	13.10%

Source: Atchison County Clerk
Note: Does not include penalty amounts

CITY OF ATCHISON, KANSAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(PER $ 1,000 OF ASSESSED VALUE)

LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rates				White Clay #26 Watershed	USD 409	Atchison County	State of Kansas	Total
	Basic Rate	Debt Service	Library	Total Direct Rate					
2014	$ 38.734	$ 8.500	$ 7.000	$ 54.234	$ 2.883	$63.180	$ 50.984	$ 1.500	$ 172.781
2015	38.132	8.976	6.981	54.089	2.885	60.373	53.841	1.500	172.688
2016	36.224	10.887	7.000	54.111	2.888	60.373	55.060	1.500	173.932
2017	36.148	10.801	7.000	53.949	2.884	60.557	53.666	1.500	172.556
2018	36.151	10.805	7.003	53.959	2.888	58.170	54.444	1.500	170.961
2019	38.459	10.000	7.000	55.459	2.860	57.923	53.140	1.500	170.882
2020	41.052	9.998	7.000	58.050	N/A	57.425	53.128	1.500	170.103
2021	41.041	9.996	7.000	58.037	N/A	57.723	53.119	1.500	170.379
2022	41.448	9.480	7.000	57.928	N/A	56.341	49.597	1.500	165.366
2023	38.421	8.972	6.981	54.374	N/A	56.341	49.597	1.500	161.812

Source: Atchison County Clerk

CITY OF ATCHISON, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percent of Current Tax Levy	Outstanding Deliquent Taxes	Outstanding Delinquent Taxes as a Percent of Current Levy
2014	$ 3,543,729	$ 3,498,445	98.72%	$ 36,195	3,534,640	99.74%	$ 9,089	0.26%
2015	3,680,770	3,528,405	95.86%	98,037	3,626,443	98.52%	54,328	1.48%
2016	3,747,280	3,606,998	96.26%	125,883	3,732,881	99.62%	14,399	0.38%
2017	3,782,116	3,636,358	96.15%	74,807	3,711,165	98.12%	70,951	1.88%
2018	3,905,837	3,753,586	96.10%	84,043	3,837,629	98.25%	68,208	1.75%
2019	4,042,669	3,938,189	97.42%	97,507	4,035,696	99.83%	6,973	0.17%
2020	4,439,094	4,039,988	91.01%	85,028	4,125,016	92.92%	314,078	7.08%
2021	4,523,257	4,180,822	92.43%	21,337	4,202,159	92.90%	321,098	7.10%
2022	4,553,800	4,212,536	92.51%	28,611	4,241,147	93.13%	312,653	6.87%
2023	4,808,562	4,487,528	93.32%	-	4,487,528	93.32%	321,034	6.68%

Source: Atchison County Treasurer
NA= not available

CITY OF ATCHISON, KANSAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	Governmental Activities					Business-type Activities					
Fiscal Year	General Obligation Bonds	Sales Tax Revenue Bonds	Lease Obligations Payable	Notes Payable - Financed Purchases	SBITA Liability	General Obligation Bonds	Notes Payable - Financed Purchases	Revolving Loans	Total Primary Government	Percentage of Personal Income	Per Capita
2014	$ 7,053,175	-	-	$ 52,966	-	$ 3,676,825	$ 722,136	$ 12,703,928	$ 24,209,030	6.61%	$ 2,248
2015	6,434,276	-	-	27,091	-	2,765,724	548,214	16,154,621	25,929,926	7.18%	2,421
2016	5,794,010	-	-	179,712	-	1,835,000	383,221	17,104,754	25,296,697	6.63%	2,362
2017	6,327,651	-	-	163,997	-	875,736	258,784	13,654,477	21,280,644	5.62%	2,001
2018	5,821,292	758,400	-	147,834	-	-	265,652	12,904,356	19,897,534	5.03%	1,884
2019	7,234,933	700,800	-	131,178	-	1,780,000	109,824	10,868,669	20,825,404	4.93%	1,988
2020	7,888,574	657,600	-	292,095	-	8,700,000	84,038	4,851,067	22,473,374	4.99%	2,145
2021	7,190,064	604,800	-	239,863	-	12,585,000	57,227	-	20,676,954	4.38%	1,958
2022	7,671,769	529,600	-	187,430	-	11,872,574	29,322	-	20,290,695	4.41%	1,891
2023	8,233,474	414,400	11,865	855,820	909,849	10,975,557	540,898	-	21,941,863	N/A	2,058

NA= not available

CITY OF ATCHISON, KANSAS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN

LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018
General bonded debt outstanding					
General obligation bonds	$ 10,819,672	$ 9,272,577	$ 7,660,482	$ 7,241,774	$ 5,821,292
Total	10,819,672	9,272,577	7,660,482	7,241,774	5,821,292
Estimated actual property value	496,147,523	483,243,848	483,243,848	486,341,158	499,467,910
Percentage of estimated actual property value	2.18%	1.91%	1.59%	1.49%	1.17%
Population	10,771	10,712	10,712	10,636	10,650
Per capita	1,005	866	715	681	547
Less: Amounts set aside to repay general debt	(374,451)	(198,143)	(131,351)	(92,581)	(238,616)
Total net debt applicable to debt limit	10,445,221	9,074,434	7,529,131	7,149,193	5,582,676
Legal debt limit	18,509,993	19,234,219	19,412,046	19,704,400	20,437,944
Legal debt margin	$ 8,064,772	$ 10,159,785	$ 11,882,915	$ 12,555,207	$ 14,855,268
Legal debt margin as a percentage of debt limit	43.57%	52.82%	61.21%	63.72%	72.68%

	2019	2020	2021	2022	2023
General bonded debt outstanding					
General obligation bonds	$ 7,234,933	$ 7,888,574	$ 7,190,064	$ 7,671,769	$ 8,233,474
Total	7,234,933	7,888,574	7,190,064	7,671,769	8,233,474
Estimated actual property value	507,144,057	516,000,779	528,908,522	586,518,844	644,025,303
Percentage of estimated actual property value	1.43%	1.53%	1.36%	1.31%	1.28%
Population	10,476	10,476	10,561	10,730	10,661
Per capita	691	753	681	715	772
Less: Amounts set aside to repay general debt	(367,169)	(419,025)	(369,456)	(349,821)	(330,723)
Total net debt applicable to debt limit	6,867,764	7,469,549	6,820,608	7,321,948	7,902,751
Legal debt limit	20,574,153	21,489,520	22,028,516	22,276,318	25,314,473
Legal debt margin	$ 13,706,389	$ 14,019,971	$ 15,207,908	$ 14,954,370	$ 17,411,722
Legal debt margin as a percentage of debt limit	66.62%	65.24%	69.04%	67.13%	68.78%

Debt limit is set at 30% of assessed valuation.

CITY OF ATCHISON, KANSAS

GOVERNMENTAL ACTIVITIES DIRECT AND OVERLAPPING DEBT

DECEMBER 31, 2023

Taxing Body	Debt		City's Share		
	Amount	As of	Percent	Amount	Per Capita
Estimated overlapping debt:					
Atchison County	$ 4,542,219	12/31/23	67%	$ 3,043,082	$ 284
USD No. 409	10,385,000	12/31/23	80%	8,314,231	775
	14,927,219			11,357,313	1,058
Direct debt:					
City of Atchison	10,425,408	12/31/23	100%	10,425,408	972
Direct and estimated overlapping debt	$ 25,352,627			$ 21,782,721	$ 2,030

Source: Atchison County Clerk and USD 409

Information represents the share of the respective debt which are obligations of the citizens of Atchison.
Percentages are based upon population of the city or school district compared to the total county population.

CITY OF ATCHISON, KANSAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

Fiscal Year	City Population	County Total Personal Income (000's omitted)	County Per Capita Income	School Enrollment	Unemployment Rate (Atchison County)
2014	10,771	$ 560,585	$ 33,993	2,147	6.50%
2015	10,712	552,514	33,694	2,183	6.10%
2016	10,712	583,765	35,639	2,226	6.20%
2017	10,636	581,736	35,619	2,241	5.20%
2018	10,560	606,207	37,436	2,258	4.50%
2019	10,476	648,297	40,335	2,164	4.50%
2020	10,476	688,233	42,974	2,175	4.50%
2021	10,561	726,047	44,710	2,034	2.30%
2022	10,730	691,194	42,910	2,231	6.20%
2023	10,661	N/A	N/A	2,261	2.40%

Population figures presented are for the City only. The Personal Income and Per Capita Income figures are for the entire county.

NA: Not Available

Sources:

Population: U.S. Census Bureau

Total Personal Income: Bureau of Economic Analysis

Per Capita Income: Bureau of Economic Analysis

School Enrollment: Kansas State Department of Education

Unemployment Rate: Bureau of Labor Statistics

CITY OF ATCHISON, KANSAS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2024			2014		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Benedictine College	590	1	9.10%	355	2	4.12%
Amberwell Health	315	2	4.86%	312	4	3.62%
Bradken (formerly Atchison Casting)	300	3	4.63%	416	1	4.83%
USD 409	300	4	4.63%	333	3	3.86%
MGP Ingredients	208	5	3.21%	185	6	2.15%
Wal Mart	175	6	2.70%	200	5	2.32%
Atchison County	163	7	2.51%	170	7	1.97%
USD 377	135	8	2.08%			
Blish-Mize	115	9	1.77%	110	10	1.28%
City of Atchison	107	10	1.65%			
Golden Star						
Northwest Pipe				132	8	1.53%
Fargo Assembly				110	9	1.28%
Total	2,408		37.14%	2,323		27%

Source: KDOL.Laborstats@ks.gov

CITY OF ATCHISON, KANSAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
City Manager	3.00	3.00	3.00	3.00	3.00	3.33	3.33	3.84	3.00	3.00
Finance	5.00	5.00	5.00	4.00	5.00	4.50	5.50	5.00	4.00	3.50
Municipal Court	1.00	1.00	1.00	1.00	1.00	1.00	-	-	1.00	1.00
Community Development	4.50	3.50	3.50	3.50	3.50	3.50	2.50	3.50	3.00	3.00
Conference Center										
Engineering	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Atchison Event Center[(b)]	-	2.50	2.50	2.00	2.00	1.50	-	-	-	-
Public Safety										
Police	23.00	22.50	23.50	23.50	23.50	24.00	25.00	25.00	25.50	24.50
Animal Control	1.00	1.50	1.50	1.00	1.00	1.00	1.25	1.25	1.25	1.25
Fire	19.75	19.75	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Public Works Admin[(a)]	19.83	21.50	20.50	21.00	1.50	1.58	2.08	1.92	3.92	3.92
Public Works										
Street	-	-	-	-	7.00	6.67	6.67	7.67	8.00	8.00
Fleet Maintenance	-	-	-	-	2.00	2.00	2.00	2.00	2.00	2.00
Construction Engineering	-	-	-	-	1.00	1.00	1.00	0.33		
Parks and Recreation										
Parks	-	-	-	-	8.00	9.00	9.00	9.00	9.00	9.00
Water/Wastewater	19.33	20.17	21.67	20.67	20.50	22.50	23.00	21.82	21.49	21.49
Refuse	6.83	4.83	4.83	4.83	4.83	4.92	4.92	4.92	4.59	4.59
Total	105.24	107.25	108.00	105.50	104.83	107.50	107.25	107.25	107.75	106.25

Source: City of Atchison Human Resources department

[(a)] All public works employees (Parks, Streets, Fleet Maint., Construction Engineering) shown in Public Works Admin 2014-2017

[(b)] The operation of the Atchison Event Center was taken over by the City on 12/31/14.

CITY OF ATCHISON, KANSAS

OPERATING INDICATORS BY PROGRAM/FUNCTION

LAST TEN FISCAL YEARS

Program/Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Dispatched calls	12,503	12,153	11,931	13,881	13,268	13,376	11,058	12,184	12,020	11,530
Criminal cases	1,599	1,615	1,620	1,709	1,382	1,271	1,201	1,110	1,314	1,219
Criminial cases cleared	1,066	1,092	1,082	1,227	1,074	1,079	1,075	1,017	1,064	999
Arrests	935	897	902	1,033	916	781	536	607	571	536
Serious crimes	377	378	435	545	436	346	283	302	333	311
Fire										
Emergency Responses	398	346	359	400	401	355	296	421	476	514
First Responder/Medical	864	725	761	865	896	933	999	973	1,117	1,084
Life Safety Inspections	667	667	667	667	667	N/A	N/A	N/A	N/A	N/A
Refuse collected (tons/year)										
Trash	2,846	2,369	2,881	2,958	3,536	3,176	3,495	3,236	3,268	741
Reycling	-	174	190	245	296	340	399	274	325	65
Glass	-	-	-	16	19	21	23	21	20	4
Brush	-	-	-	-	-	-	-	-	-	-
Metal	-	-	-	-	-	-	-	-	-	-
Water										
New connections	8	1	6	1	5	6	5	8	6	7
Water main breaks	39	30	27	22	26	32	12	18	25	10
Replaced bad service lines	25	20	32	17	19	14	10	9	17	8
Average daily production (thousands of gallons)	3,608	3,044	3,328	3,177	3,717	3,651	3,650	3,790	4,445	3,724
Peak daily production (thousands of gallons)	5,196	3,344	6,037	5,704	5,750	6,088	5,160	5,910	5,602	4,330
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,480	1,560	1,198	1,207	1,499	902	1,310	1,510	1,030	990

Source: various City of Atchison departments

2014 Construction/Demolition, Brush and Metal are no longer tracked separately

2015 The City of Atchison began offering curbside recycling to all residents

CITY OF ATCHISON, KANSAS

CAPITAL ASSET STATISTICS BY PROGRAM/FUNCTION

LAST TEN FISCAL YEARS

Program/Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	10	10	10	10	10	11	11	11	11	11
Fire Stations	1	1	1	1	1	1	1	1	1	1
Refuse Collection										
Collection trucks	2	2	2	2	2	3	3	3	3	5
Other Public Works										
Streests (miles)	77	77	77	77	77	77	77	77	77	77
Highways (miles)	8	8	8	8	8	8	8	8	8	8
Traffic Signals	11	11	6	6	6	6	6	6	6	6
Parks and Recreation										
Acreage	332	332	332	332	332	332	332	332	332	332
Playgrounds	7	7	7	7	7	7	7	7	7	7
Baseball/Softball diamonds	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	95	95	95	95	100	100	100	100	100	100
Fire hydrants	568	572	576	579	582	582	583	583	583	583
Storage capacity (000's gallons)	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350
Wastewater										
Sanitary Sewers (miles)	20	20	20	20	20	20	20	20	20	20
Storm Sewer (combined, miles)	80	80	80	80	80	80	80	80	80	80
Treatment capacity (000's gallons)	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Treatment capacity (000's gallons)	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400

Source: City of Atchison

CITY OF ATCHISON, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant Number	Expenditures
U.S. Department of Housing and Urban Development:			
Passed through Kansas Department of Commerce:			
CDBG Entitlement Grants Cluster:			
Community Development Block Grant	14.218	22-PF-001	$ 370,000
Total CDBG Entitlement Grants Cluster			370,000
Passed through Kansas Housing Resources Corporation:			
Emergency Shelter Grant	14.231	ESG FFY 2022	12,289
Emergency Shelter Grant	14.231	ESG FFY 2023	2,121
Total Kansas Housing Resources Corporation			14,410
Total U.S. Department of Housing and Urban Development			384,410
U.S. Department of Justice			
Equitable Sharing Program	16.922	NA	1,000
Patrick Leahy Bulletproof Vest Program (FY2020)	16.607	NA	8,580
Byrne Discretionary Community Project	16.753	13610764	7,070
Total U.S. Department of Justice			16,650
U.S. Department of Transportation:			
Passed through Federal Aviation Administration:			
Airport Improvement Program	20.106	3-20-0004-017-2022	214,775
Total U.S. Department of Transportation			214,775
U.S. Department of the Treasury:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	NA	550,409
Total U.S. Department of the Treasury			550,409
U.S. Department of Homeland Security			
Passed through Kansas Emergency Management:			
Hazard Mitigation Grant Program	97.039	FEMA-4504-DR-KS	415,345
Total expenditures of federal awards			$ 1,581,589

See accompanying notes to schedule of expenditures of federal awards.

CITY OF ATCHISON, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2023

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Atchison, Kansas (the City) under programs of the federal government for the year ended December 31, 2023. The City's reporting entity is defined in Note 1 to the City's basic financial statements. All federal awards passed through other government agencies are included on the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the net position, changes in net position or cash flows of the City.

2 - Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting which is described in Note 1 to the City's basic financial statements. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CITY OF ATCHISON, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2023

Section I – Summary of Auditors' Results

Financial Statements	
Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Noncompliance material to financial statements	None reported
Federal Awards	
Type of auditors' report issued on compliance for major programs	Unmodified
Internal control over major programs:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	None
Identification of major programs:	

Assistance Listing Number	Name of Federal Program
20.106	Airport Improvement Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs	$ 750,000
Auditee qualified as a low-risk auditee:	No
Section II – Financial Statement Findings	None
Section III – Federal Award Findings and Questioned Costs	None

BT & Co. P.A.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and City Commission
City of Atchison, 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 Atchison, Kansas (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 2, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

BT + Co., P.A.

July 2, 2024
Topeka, Kansas

BT & Co. P.A.
Certified Public Accountants

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

The Honorable Mayor and City Commission
City of Atchison, Kansas:

Report on Compliance for the Major Federal Programs

Opinion on the Major Programs

We have audited the City of Atchison, Kansas's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Programs

We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal programs. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

BT+ Co., P.A.

July 2, 2024
Topeka, Kansas